Gal. G. C. Hargrave

A TRUE STATE OF THE SOUTH-SEA-SCHEME,

As it was first form'd, &c.

SECTION I.

Contains the Scheme *and* Advantages *thereof to the* Publick, *as first shewn to Earl* Stanhope, *and as alter'd according to his Direction, communicated to Mr* Aislabie; *with the* Method *then propos'd for its* Execution. *And the* Advantages *which would have arisen to the* Publick, *and the Old* Proprietors *of the* South-Sea-Stock *by it.*

THE following Scheme and Heads of the Advantages thereof, were shewn to the late Earl *Stanhope*, at his own Request, about the middle of *November*, 1719. *viz.*

A *SCHEME* for advancing the *Publick Credit*, and for a certain *Reduction* of the Interest of the *whole Debt of the Nation to* 4 per Cent. per Ann. at the end of *Seven Years*, from *Midsummer* 1720. and to be from thenceforth redeemable by Parliament, on one Year's

26

Notice, either in the whole or in Parcels. Alſo for rendring it practicable, to *Alter*, *Change*, *or even to Sink the moſt burthenſome Funds.* And to *reduce* the ſeveral *Branches* of the *Cuſtoms*, *Exciſe*, &c. into *one entire Duty of Cuſtoms*, *Exciſe*, &c.

IT IS PROPOSED,

That the Parliament empower the King, or Lords of the Treaſury, to treat and agree with the *Bank* of *England*, *Eaſt-India*, and *South-Sea* Companies jointly, or with any of them ſeparately for the effecting the ſaid Reduction on the following Terms, *viz.*

Firſt, That the Company or Companies with whom ſuch Agreement ſhall be made, may, by *Purchaſe*, *Subſcription*, or *paying off* any of the *Redeemable Debts* (except *Exchequer* Bills) as well thoſe at 4 *per Cent. per Ann.* as thoſe at 5 *per Cent. per Ann.* take them into the Joint-Stock of the ſaid Company or Companies.

And alſo by *Purchaſe*, *Subſcription*, or other *voluntary Conſent* of the Proprietors thereof, (*and without any Compulſion on them*) take into the Joint-Stock of ſuch Company or Companies; all or any of the (preſent) *unredeemable Debts.*

Secondly, That for all ſuch of the ſaid Debts, for which the Principal is repayable, there ſhall be 100*l.* added to the Capital-Stock, for every ſuch 100*l.* taken into the ſaid Company or Companies.

Thirdly, That till *Midſummer* 1727. the Company or Companies, into which ſuch Debts ſhall be admitted, ſhall have a like Intereſt or Annuity as the Debts ſo taken in were entituled unto; to be paid out of the Funds appropriated by Parliament to thoſe Debts.

Fourthly,

Fourthly, As to the Annuities for 99 Years, or Terms granted to make up 99 Years; that for every 5 *l. per Ann.* taken into the ſaid Company or Companies; ſuch Company or Companies to have a like Annuity till *Midſummer* 1727. and alſo to have 100 *l.* added to their Capital-Stock, being after the rate of 20 Years purchaſe.

Fifthly, As to the 9 *l. per Cents.* they to be eſtimated at 11 Years purchaſe, ſo that the ſaid Company or Companies into which they ſhall be taken, ſhall for every 5 *l. per Ann.* taken in, have 55 *l.* added to their Capital, and 2 *l.* 15 *s. per Ann.* till *Midſummer* 1727. being after the rate of 5 *l. per Cent. per Ann.*

Sixthly, As to the reſidue of the Lottery 1710. they to be eſtimated at 11 Years purchaſe for the laſt 23 Years, ſo that the Company or Companies into which they ſhall be taken, ſhall for every 5 *l. per Ann.* taken in, have 55 *l.* added to their Capital-Stock; and 2 *l.* 15 *s. per Ann.* till *Midſummer* 1727. being after the rate of 5 *l. per Cent. per Ann.*

Seventhly, That whereas, by thus taking thoſe Debts into the Companies, the Charges of paying them in the manner they are now paid, will be ſaved by the Publick; but the Charges of the Companies who take them in will be increas'd: It may not be unreaſonable to allow thoſe Companies towards Charges, ſo much as the Publick ſave thereby.

Eighthly, That the Annuity as well for the preſent as the increaſed Stock of ſuch Company or Companies, as ſhall ſo take in any of the ſaid Debts, ſhall *from and after* Midſummer 1727. *be reduced to* 4 *l. per Cent. per Ann.* and be from thenceforth *redeemable by Parliament on a Year's*

Notice, by not less than *One Million* at a time; But such Company or Companies to have as well their present as increas'd Allowance for Charges of Management, *&c.* continued from *Midsummer* 1727. until their Funds be redeemed by Parliament as above.

Ninthly, That the Annuities to the Company or Companies for their increased Stock, be payable to them Weekly at the *Exchequer*, as those Companies present Annuities are payable.

HEADS of ADVANTAGES *to the* Publick, *by the Scheme for advancing the Publick Credit, and reducing the Interest of the* whole Debt of the Nation to 4 *Cent. Shewn to Earl* Stanhope; *together with the Scheme.*

ALthough in the Scheme the three Companies are indifferently mention'd, yet for that the *South Sea* Company have the honour of the King for their Governour; and have by much a larger Capital than both the other Companies, and are capable of some Undertakings herein after mentioned, which the other two Companies are not; and for several other Reasons they are like to be found the most proper to enter into this Agreement. Nevertheless, it is intended in the Execution of the Scheme, *to bring into the Reduction the Funds of the* Bank *and* East-India *Company, on Terms greatly to their Advantage.* From whence the following *Advantages* will also flow to the *Publick.*

First, There will be a Certainty so far as this Scheme takes place, (which can hardly fail in any considerable degree:) That at *Midsummer* 1727. *all the* 5 per Cent. *redeemable Funds* (the *Bank*

Bank and *East-India* Funds not excepted) will be *reduced to* 4*l. per Cent. per Ann.*

Secondly, That the *Annuities* which are now *unredeemable*, will not only become redeemable, but will also at *Midsummer* 1727. be *actually reduced one fifth part.*

Upon these two Heads there will after *Midsummer* 1727. be saved to the Publick near *per Ann.* 500,000*l.*

Thirdly, This Scheme will reduce the whole Debt of the Nation to the Heads or Denominations of only these three Companies, and the whole Publick Credit will be greatly advanced; not only by the Method of executing it, but likewise, for that People will have only one of these three Companies to lay out their Money in; for it will keep as it were the Waters in a narrow and consequently deeper Channel, whereas the variety of Funds are like so many Streams running out of one River, which weaken the main Current.

Fourthly, And the Advancement of Publick Credit in time of War, gives Spirit to our Friends, and Discouragement to our Enemies; some of whose Attempts seem to have chiefly aimed at distressing us in, and sinking of our Publick Credit.

Fifthly, If the Circumstances of Times favour the *Reduction of Interest to* 3 per Cent. *or lower*; such Reduction is easier *Effected in One, Two or Three Companies*, where the Vote or *Order of a General Court binds all the Members:* Than as those Debts as well redeemable as unredeemable now stand, *that every Individual's Consent is necessary*; and as many as please must have the Power and Liberty to comply, or not comply.

Sixthly,

Sixthly, The *more favourable* times prove for *Reduction of Interest*, the more will the *price of unredeemable Annuities advance*; and so will cost the *Publick the more* to redeem them, and perhaps not able to effect it at all if not done now.

Seventhly, The Debts being thus taken into the *South-Sea* Company, they will be more able to assist the Goverment with a large Sum of Money on any Exigency, and at a low Interest; so that the Government will scarce ever need to pay more than two, or at most three *per Cent.* on the Land-Tax and Malt.

Eighthly, Whenever it shall be found for the Benefit of the Publick to *alter* or *change*, *or even to sink any of the most burthensome Funds*; the same may be done by Parliament, with the Consent of the General Court of that Company, entituled to those Funds, without any *Complaint of Violation of Property*, which Consent cannot be had while the Property is in Individuals.

Ninthly, Whereas by reason of the variety of Debts, the Duties of *Customs*, *Excise*, *Salt*, *Stamps*, *Leather*, &c. are divided into *several Branches*, *and differently appropriated*, and distinct Accounts kept of each Branch, to the *great Charge of the Publick*, *and great Difficulty aud Intricacy to the Payers* (especially to the *Merchants* in the *Customs*); by this Scheme the Duties of *Customs*, *Excise*, &c. may be reduced into one *Duty* of *Customs*, *Excise*, &c. to the great Ease of the Merchants, *&c.* and will *save the Publick a considerable Sum yearly* in the Management of those Duties.

Tenthly, Forasmuch as nothing can tend more to the *Glory of the King*, *and the honour and advantage of the Nation*, and balancing the great things done and doing in a neighbouring Kingdom;

dom; nor so effectually stop the Mouths of all Opposers of His Majesty's Measures, than that His Majesty make use of the Opportunity of the present War with *Spain*, to obtain for his Subjects Settlements, and thereby secure to them a *Trade* in the *South-Seas*, or other parts of the *Spanish West-Indies*; and for that no Money rais'd by the Savings or Reductions of any of the present Funds, can be applied to the current Service: And that there will be no Use for any Money that shall be rais'd by such Savings or Reductions to pay off any of the Publick Debts, till the Expiration of the term of Years propos'd to be granted by this Scheme.

It is further propos'd, That if all these Debts are taken into the *South-Sea* Company, they may be obliged to furnish 1,500,000 *l.* if requisite, towards the Charge of making such Settlements: His Majesty lending them a sufficient number of his Ships of War for that purpose, and the Company out of the said 1,500,000 *l.* to pay for the Manning and Victualling them; and also to pay for such Transports and Troops as shall be employed in this Service, not exceeding the said 1,500,000 *l.* And if any *Places* or *Settlement* shall be *taken* by Means thereof in the *North Sea*, in the *Spanish West-Indies*, the *South-Sea* Company to have the like Property in them, and in *all the Captures* as they now have a right to by Act of Parliament, if made or taken *within the Limits of their Charter*. And in Case of a Peace with *Spain* before any Expedition be undertaken, the Company to pay the said 1,500,000 *l.* to the Publick, at the end of Seven Years Term, proposed to be granted to them; or by 500,000 *l.* *per Ann.* during the last three Years, *which makes it about equal, as if the Term of the said Company was not enlarged.* And

And forasmuch as it cannot be doubted, that upon making a *Peace with Spain*, His Majesty will take care that the *South-Sea* Company have the *Assiento restor'd* to them; and upon a much better Foot than it was. It will be a very great Encouragement to the Rise of the Stock of the *South-Sea* Company, and so facilitate the Scheme, If the *sole Trade to Africa* be granted them, altho' they *pay the* African *Company a reasonable Consideration for their Forts, Settlements and Interest*; and also to my Lord *Yarmouth*, for the *Grant* he has from the Crown of the *Mines of Gold and Silver* in that Country: And a Company, with so great a Stock as this Company will have, are the most likely, not only to *recover and preserve the Negroes Trade to this Kingdom*, on which all our *Plantations entirely depend, and clear that Coast of the Pirates*; but that they will likewise be able to *penetrate into the Continent of Africa*, and thereby discover many of the *rich Gold Mines* which unquestionably are therein; whereby as *great Treasures* may in time be *brought into this Nation*, as are to the *Spaniards* from the *West-Indies*, or to the *Portuguese* from *Brazil*.

When these Papers were shew'd to Earl *Stanhope*, his Lordship declared his *Approbation of bringing all the Funds into one Corporation*; and thought the Scheme was *fittest to be executed by the South-Sea* Company; but judged it *not adviseable* to make the *taking in of the* Bank *any part of the Proposal*, least what was intended for their Advantage, might be otherwise taken by them, and so create an Opposition: His Lordship esteeming it best, that the Proposition of coming into it should arise from themselves, if they should be dispos'd thereto, and directed the Scheme to be alter'd accordingly. His Lordship did also declare his

Opinion

Opinion in favour of granting the *South-Sea* Company *the ſole Trade to Africa*, but did not approve of the attempting *Settlements in the South-Seas*. And inſtead thereof, deſired it might be conſidered what Money the *South-Sea* Company could advance to the Publick, for this Liberty of enlarging their *Capital-Stock*.

Earl *Stanhope*, ſome time after the Scheme was ſhew'd him, acquainted Mr *Aiſlabie* then *Chancellor* of the *Exchequer*, therewith, who ſent Mr *Knight* to the Perſon who had ſhewn the ſame to his Lordſhip; to deſire him to communicate the Scheme to him, who with Mr *Knight* attended Mr *Aiſlabie*, and ſhew'd him the Scheme as then alter'd by Earl *Stanhope*'s Directions, and is as follows, *viz.*

A SCHEME *for gaining to the Publick* 3,500,000*l.* *Paying off the Funds of the* Bank, *all but their Original Fund of* 100,000*l.* per Ann. *Furniſhing a large Sum annually on the* Land-Tax *and* Malt, *without Intereſt*; *and the reſt at a low Intereſt*. *Alſo for rendering it practicable to* alter, change, or even ſink, the moſt burthenſome Funds; *and alſo to reduce the ſeveral Branches of* Cuſtoms, Exciſe, *&c. into* one entire Duty *of* Cuſtoms, Exciſe, *&c.* *And likewiſe to* advance the Publick Credit.

IT IS PROPOSED,

That the *S. S.* Company may give the Publick 3,500,000*l.* for the following Advantages, *viz.*

Firſt, That the ſaid Company may by Purchaſe, Subſcription, or paying off any of the

Redeemable Debts (except *Exchequer* Bills) as well those at 4 *l.* *per Cent.* as those at 5 *l.* *per Cent.* *per Ann.* take them into the Joint-Stock of that Company; and may likewise (if the *East-India Company* will consent thereto) take into the said Company their *Capital Fund.*

And that the said Company may also by Purchase, Subscription, or other *voluntary Consent* of the Proprietors thereof, (*and without any Compulsion* on them) take into the Joint-Stock of that Company, all or any of the Annuities for 99 Years, or Terms granted to make up 99 Years; and also the residue of Lottery 1710.

Secondly, That, for all the said Redeemable Debts, there shall be a 100 *l.* added to the Capital-Stock of the said Company for every 100 *l.* so taken in; and the like Annuity to the said Companies Annuity, as is now payable for such Debts to be paid out of the Funds appropriated to those Debts.

Thirdly, That, if the *East-India* Company shall subscribe their *Capital Stock* into the *South-Sea* Company, the *South-Sea* Company may have the like Sum added to their Capital, and the like Annuity to their present Annuity, as the *East-India* Companies present Capital and Annuity is.

Fourthly, As to the Annuities for 99 Years, or Terms granted to make up 99 Years; that for every 5 *l.* *per Ann.* taken into the *South-Sea* Company, that Company to have a like Annuity, and also to have 100 *l.* added to their Capital-Stock; being after the rate of 20 Years Purchase.

Fifthly, As to the residue of Lottery 1710. They to be estimated at 11 Years Purchase, for the last 23 Years; so that the Company for every

every 5 *l.* *per Ann.* taken in to have 55 *l.* added to their Capital-Stock, and 2 *l.* 15 *s.* *per Ann.* to their Annuity.

Sixthly, That the *South-Sea* Company be allow'd, towards Charges of Management, ſo much as the Publick now pay for the Charges of paying and aſſigning the Debts which ſhall be ſo taken into their Stock.

Seventhly, That the Annuity and Annuities thus to be encreaſed Capital be Redeemable, as and when the Companies preſent Capital or Annuity is Redeemable, or be actually reduced to 4 *l.* *per Cent.* *per Ann.* at *Midſummer* 1727. Except as to the Fund of the *Eaſt-India* Company, which it is propoſed ſhall be Redeemable, as and when the ſame now is Redeemable; or this may be Redeemable, with the reſt of the Capital of the *South-Sea* Company.

Eighthly, That the *South-Sea* Companies Allowance for Charges of Management; as well the preſent, as that to be added thereto, do continue till their Capital be Redeemed.

Ninthly, That the Annuities to the *South-Sea* Company for this to be encreas'd Stock be payable to them Weekly at the *Exchequer*, as their preſent Annuity is; and if more than one Moiety of any of the particular Species of Debts be ſubſcribed or taken into the ſaid Company; all the Duties appropriated to thoſe Debts to be paid Weekly to the Company (ſo as one fourth part of the total Annuity payable for thoſe Debts be not exceeded at the end of each Quarter) and that the Company pay thereout, the Intereſt or Annuity to ſuch (if any) as ſhall happen not to come in, in the ſame manner, and at the ſame times as they are now to be paid.

Tenthly, It will, for ſeveral Reaſons, be proper to grant to the *South-Sea* Company the *ſole Trade to Africa*; and to take into them the *Lord* Yarmouth's *Grant* of the *Royal-Mines there:* The *South-Sea* Company paying the *African Company a reaſonable Conſideration* for their Forts, Settlements, and Intereſt, and to my Lord *Yarmouth* for his Grant.

Eleventhly, That if any of the ſaid Debts don't come into the ſaid Company, they to pay but a proportionable part of the ſaid 3,500,000 *l.*

The *Banks Debt* on the Duty on Houſes, is about	1,770,000
And their laſt Annuities are for —	2,000,000
Total about — —	3,770,000

The 3,500,000 *l.* to be paid by the *South-Sea* Company; with the Addition of 270,000 *l.* out of the preſent ſinking Fund, will pay off the ſaid 3,770,000 *l.* to the *Bank*: And then the Annuity for thoſe Debts being 188,500 *l. per Ann.* will go to the *increaſe of the ſinking Fund.*

And foraſmuch as the preſent, and to be increaſed Annuity of the ſaid Company will not be Redeem'd till *Midſummer* 1724. or perhaps *Midſummer* 1727. And there will be no other Fund to be in the mean time Redeemed; The *ſinking Fund* may, till then, be lent on the *Land-Tax* and *Malt*, to be *Annually repaid out of the ſame*; which will *ſave the Intereſt of all that Money to the Publick.*

And the reſidue of the *Land-Tax* and *Malt*, or ſo much as ſhall be wanted thereon, will be *lent*

by

by the ſaid Company at a low Intereſt, who will have a Fund of about *Two Millions per Ann.* and can't better uſe it, *between Dividend and Dividend*, than by lending it on the *Land-Tax* and *Malt*.

All the Funds except the *Banks* Original Fund being thus brought into one Company.

Whenever it ſhall be found convenient to *Alter* or *Change*, or (if neceſſary) *even to ſink* any of the *moſt Burthenſome Funds*: The ſame may be done by Parliament, with the *conſent of the General Court* of the Company, *without any Complaint of Violation of Property*, which Conſent cannot be had while the Property is in Individuals.

And whereas, by reaſon of the Variety of the Debts, the *Duties* of *Cuſtoms*, *Exciſe*, *Salt*, *Stamps*, *Leather*, &c. are divided into *ſeveral Branches*, and differently *appropriated*, and diſtinct Accounts kept of each Branch, to the *great Charge of the Publick*, *and greater Difficulty to the Payers*: (eſpecially to the *Merchants* on the *Cuſtoms*.) By this Scheme the *Duties* of *Cuſtoms*, *Exciſe*, &c. may be reduced into *one Duty* of *Cuſtoms*, *Exciſe*, &c. and ſave conſiderably *to the Publick* in the *Charge of Management* of thoſe *Duties*, and be a great eaſe to the *Merchants*, &c. and tend to the *Encouragement of Trade*.

If the *Bank* ſhou'd deſire (as it is probable when they ſee they are to be paid off, they will) to ſubſcribe their ſaid Debts to the *South-Sea* Company, they may be permitted ſo to do; and a like Sum of Lottery Annuities may be left out to be paid off, by the Money to be paid by the *South-Sea* Company to the Publick.

And perhaps, rather than be excluded the ſubſcribing the ſaid 3,770,000 *l.* of their Capital, they may conſent to ſhorten conſiderably the

the Term they have in their Original Funds, so as their Corporate and Banking Capacity be continued till they are now Redeemable.

When Mr *Aislabie* had perus'd the Scheme, he seem'd to approve of it in the Main; and said, That as the Government was possess'd of *Nova Scotia* and the *French* part of *St Christophers*, which was about one half of that Island, and then brought in no Advantage to the Publick, but if cultivated and improved in such manner as might be, by a Company with so great a Capital; they would not only increase *the Publick Revenue* by the Duties on their Products, but also be made very *advantageous to the Company*; and be a Means to make the Execution of this Scheme more certain. And as the Publick were to gain so much by the Scheme, he was of Opinion the King and Parliament might be prevailed upon to make a Grant of them to the said Company; and *they*, as well as the *sole Trade to Africa*, were accordingly mentioned to the Court of Directors, when the Scheme was first laid before them, and likewise opened together with the Scheme to the House of Commons.

N. B. By this ingrafting the *Banks* and *East-India* Companies Funds, it would not affect the Managements of those Corporations as to their Business. But they were to have continued in the full Enjoyment of their several Grants, in their Corporate Capacities, for the Benefit of their Proprietors.

The

The METHOD *at first Proposed for executing the* South-Sea *SCHEME being referred to therein; it may not be improper to insert the same, which is as followeth,* viz.

THE Total of their Capital was about ———	11,746,000 *l.*
Total of Annuities, and Debts to be taken in were then computed at about - - -	30,981,000
Then the Total of their Capital Stock wou'd be - - -	42,727,000

The whole Sum to be taken in by the Company, being so large, and consisting of Annuities and Debts of various kinds; it was judged to be impracticable to take in the whole at one time, and that by taking them in at different Times, Prices, and Proportions, the Proprieters thereof (thro' Apprehension of being either left intirely out, or of coming in afterwards, at a higher Price) wou'd be quicken'd to make their Subscriptions, whereby the Execution of the Scheme wou'd be render'd more easy and certain.

Though when the Scheme was first form'd the Price of the Stock did not exceed 116 *l.* to 118. *per Cent.*

Yet it was supposed, if the Proposal was accepted by the Parliament, that Acceptance would so much increase the Credit of the Stock, as the Company might be able to take in the said Annuities and Debts, at the Rates, and in the Proportions, herein after mention'd.

And if the *Bank* and *East-India* Company, or either of them wou'd come in, they were proposed

propoſed to be admitted into the firſt Subſcription at 130 *l. per Cent.* or even lower, which would nevertheleſs have increaſed the *Profit to the South-Sea Company.*

But as their coming in was uncertain, the Calculation was made only upon the other Annuities, and Debts, *viz.*

6,500,000 *l.*	Annuities and Debts Subſcribed at 130 *per Cent.* for the Stock wou'd produce Stock, to the Subſcribers, - - -	5,000,000
7,000,000	*Ditto* Subſcribed at 140 *per Cent.* wou'd be Stock to the Subſcribers — —	5,000,000
7,500,000	*Ditto* Subſcribed at 150 *per Cent.* wou'd be Stock to the Subſcribers — —	5,000,000
9,981,000	*Ditto*, Subſcrib'd at 160 *per Cent.* wou'd be Stock to the Subſcribers — —	6,238,125
30,981,000		

Total Stock to the Subſcribers	21,238,125
Stock gain'd to the Company	9,742,875

Total Stock to the Company for the Annuities and Debts to be taken in ——— ———	30,981,000

Then

Then the Capital wou'd ſtand thus,

Proprietors Old Capital -- ——	11,746,000
Proprietors New Capital by Subſcriptions —— ——	21,238,125
Total Proprietors Stock —— —	32,984,125
Stock belonging to the Company in their Corporate Capacity gain'd by the Subſcriptions	9,742,875
Total Capital as above —	42,727,000
9,742,875 *l.* Stock to be ſold by the Company at 160 *l. per Cent.* amounts to in Money ——	15,588,600
Out of which Deduct to be paid to the Publick —— —	3,500,000
Reſts Nett Profit to the Company	12,088,600
The Companies Fund or Income, for about 38,600,000 *l.* at 5 *l. per Cent. per Ann.* — — —	1,930,000
For 4,127,000 *l.* at 4 *per Cent. per Ann.*	165,080
Total of the Companies Income, beſides the Allowance to them for Charges of Management	2,095,080
8 *l. per Cent. per Ann.* for a Dividend upon 32,984,125 Proprietors Stock comes to ——	2,638,730
Towards which the Companies Income wou'd be — —— ——	2,095,080
Wanting to make an annual Dividend of 8 *per Cent* — — — —	543,650

 which

which by the gradual ſelling the Stock, the Company gain'd on the Subſcriptions wou'd have ſupply'd the ſame for above 12 *Years*. Before the Expiration of which time it was ſuppoſed, the Benefit of their *Trade to Africa*, and the *Grants* of *Nova Scotia*, and of the *French part of St Chriſtophers*, would have been ſufficient to have *perpetuated* the *Dividend*, if not to have enlarg'd it.

N. B. *In the above Method firſt propos'd for Execution of the Scheme, the Annuities and Debts to be taken in by the Company, are computed but at* 30,981,000*l.* *whereas the Total of thoſe Debts and Annuities, do by the Act appear, to amount to* 31,808,000*l.* *which difference was occaſioned, By reaſon that the Debt to the Army appeared to the* Houſe of Commons, *to exceed conſiderably, the Sum it was computed at in the* S. S. *Companies firſt Propoſal; and ſome of the other Debts and Annuities mentioned in that Propoſal, not being very exact: But we have choſen to publiſh the ſaid Method of executing the Scheme, according as it was drawn, ſuitable to that Companies Propoſal; though by the ſaid exceeding of the Debt, the Profit both to the Publick and the Company, would have been more than in the above Calculation.*

Having thus given a plain and open account of the Scheme as originally formed, and of the Views intended by it, as well as the Method in which it was propoſed to be executed. It may be fit to conſider it with reſpect to the annual Savings, and in what time, with the Aſſiſtance of the then ſinking Fund, the ſame would have diſcharged the whole Debt of the Nation.

The State of the Publick Debts at that time, were taken to be as follows, *viz.*

The

The *South-Sea* Companies then Capital — — —		11,746,844*l.*
Annuities and Debts to be taken in by them Computed at — — — —		30,981,712*l.*
		42,728,556*l.*
The *Banks* Redeemable Annuities — —	3,775,000	
Their Original Fund — —	1,600,000	
		5,375,000*l.*
East-India Companies Capital		3,200,000*l.*
Total Debts		51,303,556*l.*
Of which, for this Scheme, there was to be paid off by the *South-Sea* Company —		3,500,000*l.*
Total remaining Debt wou'd then have been —		47,803,556*l.*

The ANNUAL SAVINGS by this Scheme wou'd have been as follows, *viz.*

By the Long Annuities — — —	133,541*l.*
By the Intereſt or Annuity of the Debt to have been paid off with the 3,500,000*l.* which ſhould have been paid by the *South-Sea* Company — —	175,000*l.*
By the Reduction of the Companies Original Capital, and the 5 *per Cent.* Redeemables to be taken in by them from 5 to 4 *per Cent.* —	235,426*l.*
Total ANNUAL SAVINGS to the Public by this Scheme	543,967*l.*

 The

The then ſinking Fund was computed to be about *per Ann.* —— —— ——	——936,000 *l.*
Total ſinking Fund wou'd then have been *per Ann.* ——	—1,179,967 *l.*

This ſinking Fund of 1,179,967 *l. per Ann.* being *Inviolably apply'd*, as was then propoſed *to pay off the Public Debts*, wou'd have paid off the WHOLE DEBT OF THE NATION in about 24 Years; the Advantages whereof to *this Kingdom* are too obvious to every one's View to need any Remarks.

Beſides which *Savings to the Public*, other *National Advantages* were propoſed, and wou'd have enſued; among which the *Reducing the ſeveral Branches of Cuſtoms, Exciſe*, &c. *to one entire Duty of Cuſtom and Exciſe*, and the being capable *by Means of this Scheme to leſſen, or even take off, the moſt Burthenſome Duties*, ought not to be eſteem'd ſmall. Foraſmuch as that is the likelieſt, if not the only, way to make *Trade, and thereby the Nation, flouriſh.* And had it not been for that *part of the Scheme* which has brought ſo many of the Funds into one Capital; how would the Parliament laſt Seſſions have been able to *take off ſeveral appropriated Duties which were found very Burthenſome to Trade*, and in particular *to the Woollen Monufacture*, without *Violation of Public Credit*, or *impoſing new Duties* in their Stead, which might in time *have proved equally greivous.*

As to the Advantages which would have accrued by this Scheme to the Proprietors of the

the Stock of the South-Sea Company, they are very visible; for their Stock which then sold from 116 to 118 *per Cent.* (and was intrinsically worth but about 90 *per Cent.*) wou'd certainly have advanced to at least 160*l.* *per Cent.* and those who came in upon the first Subscriptions, (which was proposed to have been taken in at 130*l.* *per Cent.*) would have had their Stock advance likewise to 160*l.* *per Cent.* and those on the Second Subscription from 140 to 160*l.* *per Cent.* and those on the Third Subscriptions from 150 to 160 *per Cent.* and those on the Fourth (which was proposed to be taken in at 160*l.* *per Cent.*) could not in any Probability have been Losers, *had the sole Trade to* Africa, *&c. been granted to the Company as was proposed*; So that by this Scheme, the *Public*, the *old Proprietors of the Company*, and most if not *all others concerned*, wou'd have been *great Gainers*, and *none wou'd have been Losers.*

SECT.

SECT. II.

Contains the Scheme as first shewed to the Court *of* Directors, *by Order of Mr* Aislabie; *together with the several Proposals respectively made by the* South-Sea Company *and* Bank *of* England, *to the Honourable* House *of* Commons.

THE 21st of *January* 1719. the following Proposal was communicated by the Sub-Governor of the South-Sea Company, to the Court of Directors, which he told the Court was handed to him from the Right Honourable the Chancellor of the *Exchequer*, relating to the Enlargement of the Capital-Stock of that Company, *viz.*

	l.	*s.*	*d.*
Total of 5 *per Cent.* Redeemable Debts ——	11,795,466	5	6¼
Total of 4 *per Cent.* Redeemable Debts ——	4,128,752	7	4
Total Redeemable Debt -	15,924,218	12	10¼

UNRE-

UNREDEEMABLE.

	l.	*s.*	*d.*
99 Years Annnuities, at 20 Years Purchase —	13,354,108	1	8
Lottery 1710. Remaining, which were not subscribed 40,670 *l.* 8 *s.* *per Ann.* which at 14 Years Purchase — —	569,385	12	0
9 *per Cent.* 81,000 *l.* *per Ann.* at 14 Years ——	1,134,000	0	0
Total Unredeemable —	15,057,493	13	8
Total Redeemable and Unredeemable — —	30,981,712	6	6¼

That the *South-Sea* Company may be permitted to enlarge their Capital, at any Time or Times, until *Lady-Day* 1721. by taking in any of the said Redeemable or Unredeemable Debts, on the Terms and Conditions following, *viz.*

First, That the said Redeemable Debts be taken into the said Company, either by Purchase, Subscription, or paying them off.

Secondly, That the said Unredeemable Annuites, be taken into the said Company, either by Purchase, or Voluntary Subscriptions of the Proprietos thereof, (and without any Compulsion on them) at such Price as shall be agreed between the Company and the Proprietors of those Annuities.

Thirdly,

Thirdly, That for all the ſaid Redeemable Debts, there ſhall be One Hundred Pounds added to the Capital Stock of the ſaid Company, for every One Hundred Pounds ſo taken in, and a like Annuity added to the Companies preſent Annuity, as is now payable for the Intereſt of thoſe Debts.

Fourthly, That for the Annuities for 99 Years, or Terms granted to make up 99 Years, for 5 *l. per Ann.* taken into the Company, there be 5 *l. per Ann.* added to the Companies preſent Annuity, and 100 *l.* to their Capital Stock, being after the Rate of 20 Years Purchaſe.

Fifthly, That the Reſidue of Lottery 1710. be eſtimated at 14 Years Purchaſe, for the 23 Years, from *Chriſtmas* 1719. and the 9 *per Cents.* alſo at 14 Years Purchaſe, for the 22¾ Years from *Chriſtmas* 1719. and the Company to have Stock and Annuity proportionably, *viz.* 70 *l.* Stock, and 3 *l.* 10 *s. per Ann.* for every 5 *l. per Ann.* taken into Company.

Sixthly, That the Company be allowed for Charges of Management, for their thus to be Increaſed Capital, ſo much as it now coſts the Government; for the Charges of paying, aſſigning, and accounting for the ſaid Debts; or ſuch a Proportion thereof, as the Sum which ſhall be taken in by the Company ſhall bear to the whole of theſe Debts.

Seventhly, That the Annuities for the Companies preſent, and to be encreaſed Capital, be continued till *Midſummer* 1727. and that from and after that Time, their then Annuity ſhall be reduced to 4 *l. per Cent. per Ann.* and Redeemable by Parliament.

Eighthly,

Eighthly, That the Companies present, and to be encreased Allowance for Charges of Management, do continue till their Capital be redeemed.

Ninthly, That the Annuities to the Company for this to be encreased Capital, be paid them Weekly as their present Fund is; and to be charged on the Funds now appropriated to the said Debts, so taken into the Company.

Tenthly, That for the Liberty of encreasing their Capital by the said Redeemable Debts, the Company pay the Government towards paying of the Public Debts provided for by Parliament (before *Christmas* 1716.) the Sum of 1,500,000 *l.* certain, by 4 equal Quarterly Payments; the first Payment to be *Lady-Day* 1721.

Eleventhly, That the Company pay further to the Government for the same Uses, 2 Years Purchase on all such of the said Unredeemable Annuities, as shall be taken into the Company, in 4 equal Quarterly Payments, on the same Days as the aforementioned 1,500,000 *l.* is payable; which reduces the 99 Years to 18 Years Purchase to the Public, and the residue of the Lottery 1710. and the 9 *per Cents.* to 12 Years Purchase, and if the whole of the said Unredeemable Annuities are taken in, will amount to — — — 1,578,751 *l.* : 12

To which add for the said Redeemable Debts —— 1,500,000 *l.*

Total to be paid the Government 3,078,751 *l.* : 12

Twelfthly, That tho' the Companies Capital is not to be Redeemable till *Midsummer* 1727. yet so much as shall arise by the sinking Fund before the Expiration of the said Term, after

Payment of ſuch part of the Redeemable Debt as ſhall not be taken in by the Company, may be applyed at the end of every Year, towards paying off, in even Hundred Thouſand Pounds, that part of the Companies Capital which carries 5 *per Cent.*

Thirteenthly, That for ſuch *Exchequer* Bills, as the Parliament ſhall continue, or impower the Lords of the *Treaſury*, either by the *Exchequer* or Truſtees to be appointed by the Lords of the *Treaſury*, to iſſue and circulate, without the Subſcription or Contract of any Perſons or Corporation, the Company ſhall be obliged till *Midſummer* 1727, and no longer, to pay ſuch Proportion of Money and Intereſt as ſhall be found neceſſary, to circulate ſuch *Exchequer* Bills, as the Sum of 800,000 *l.* ſhall bear to the Total amount of ſuch *Exchequer* Bills, and the Company to have alike Proportion of the Benefit of the Intereſt which ſhall be ſaved on ſuch *Exchequer* Bills, during the Time they ſhall be in the Hands of any publick Officer, or in the *Exchequer*.

N. B. The Circulation and Weekly Payments to commence at *Midſummer*, 1720.

And all ſuch of the Debts as ſhall be taken in by the Company before *Midſummer* 1720. the Intereſt thereon to commence to the Company from *Chriſtmas* 1719.

And for ſuch as ſhall be taken in after *Midſummer* 1720. and before *Chriſtmas* 1720. the Intereſt to commence to the Company from *Midſummer* 1720.

And for ſuch as ſhall be taken in after *Chriſtmas* 1720. the Intereſt to commence to the Company from *Chriſtmas* 1720.

WHEN

When this Proposal was first communicated to the Court of Directors; it was intimated to them, that there was hopes, this great Advantage to the Publick would induce the Parliament to grant the Company the *sole Trade to* Africa, *(they making reasonable satisfaction to the then* African Company for their Forts, Settlements, and Interest) and also *Nova Scotia*, and that which was the *French Part of* St Christophers.

The Court of Directors, having well weigh'd the Matter, were of Opinion, That it might be practicable, and for the Interest of the Company to come into the Proposal. Of which the Chancellor of the *Exchequer* being acquainted, he soon after opened the same in a grand Committee of the Honourable House of Commons, with which the House appear'd well pleas'd; only Objections were made by some few Members, against the Trade and Lands to be granted to the South-Sea Company. But just as the Committee were about to rise, Sir *John Cope*, a Director of the Bank, mov'd, That *any other Corporation might have Liberty to make an Offer, for taking in the said Annuities and Debts*, in which he was supported by several, ; and the Committee agreed thereto, and the 29th of *January* was appointed to receive the Proposals.

And, as this Matter is well represented by Mr *Aislabie* in his second Speech in the House of Lords, a Liberty is here taken to insert his own Words, as they are in Page 9th and 10th of that Speech.

' And at last, the Scheme was formed and ' agreed to by all those in the *Administration*, ' as it was first opened and proposed in the

' House of Commons; and I do aver here,
' before your Lordships, *That there was not one*
' *Step taken in this Affair before it passed into an*
' *Act, that was not taken by the Concurrence, and*
' *Approbation of those in the Administration, and*
' *even some of the* SECRET COMMITTEE:
' and so cautious and diffident was I of the Suc-
' cess of so great an Undertaking; *That tho'*
' *the Scheme was adapted to the Notions and Opi-*
' *nions of those Gentlemen, who for two Sessions be-*
' *fore had oppos'd all Measures for reducing the*
' *Interest of the Public Debts, till the long Annui-*
' *ties were made Redeemable*; yet I would not
' adventure to introduce it to the House of
' Commons, till it had been communicated to
' and approved of by them; and as this Scheme
' was then calculated with no inconsiderable
' Advantage to the Public, as it at once rais'd
' Three Millions and a half towards the Dis-
' charge of the Public Debts, and at the same
' time, put the long and short Annuities into a
' State of being redeemed, and after four Years
' reduced the Interest of the whole Debt of
' *England* to four *per Cent.* and hereby made
' a vast Addition to the sinking Fund; I flat-
' ter my self, it could not be thought a bad
' Bargain to the Public, as some were pleas'd
' to represent it, or liable to those unhappy
' Consequences, that have attended the Altera-
' tion of it, since it would have been restrain'd
' and ty'd down to such Conditions, as would
' have made it impossible for any Projectors to
' have hurt us.

' But, my Lords, these Measures were all
' broke at once, by a sudden Resolution of the
' *Bank*, who before had shewn a great back-
' wardness in undertaking any thing for the re-
' ducing

'ducing the *Public Debts*, and had treated this 'Scheme with great Contempt; I ſay, my 'Lords, as ſoon as this Scheme was open'd in 'the Houſe of Commons, the Gentlemen of 'the *Bank* were immediately ſtirr'd up to be-'come Competitors for it, and to deſire, that 'they might be ſuffer'd to offer Propoſals, 'as well as the South-Sea Company.'

The *Bank* appearing Competitors, occaſion'd a Meeting between the *Lords of the Treaſury, and others in the Adminiſtration*, and *ſeveral of the Directors* of the South-Sea Company, in order to perſwade the South-Sea Company (as Mr *Aiſlabie* ſays) to offer four Millions certain, and they were prevailed upon to offer 3,500,000 *l.* certain: And accordingly,

The 29th of *January*, the South-Sea Company, and alſo the *Bank* reſpectively deliver'd to the *Houſe of Commons* their Propoſals. The South-Sea Company's Propoſal was much the ſame in Subſtance with that deliver'd to the Court of Directors, by Mr *Aiſlabie*'s Order; only the Sum to be paid the Public herein was 3,500,000 *l.* certain, and the Sum in *Exchequer* Bills to be circulated by the Company *gratis*, was alter'd from 800,000 *l.* to a Million.

The *Banks* Propoſals differ'd ſomething in Form, but was for the ſame Annuities and Debts as thoſe in the South-Sea Companies Propoſal. The moſt material Difference was, That if the *Bank* took in all the Annuities, the Sum to be paid by them to the Public came to above 5,500,000 *l.*

The *Banks* Propoſal appearing to be above TWO MILLIONS more to the Advantage of the Public, than that of the South-Sea Company,

Company, very much ſtartled every Body; and occaſioned the *Houſe of Commons* to defer the Conſideration thereof 'till another Day, with a Liberty for each Company to deliver any further Propoſals.

Both Companies in the Interim had General Courts, which reſpectively impower'd their Courts of Directors to make Propoſals to the Parliament as they ſhou'd think fit: The Proprietors of the South-Sea Company were ſo mov'd with this Competition of the *Bank*, that they order'd their Court of Directors not to loſe the Scheme, coſt what it wou'd.

Feb. 1ſt. Each Company delivered their reſpective farther Propoſals to the *Houſe of Commons.*

The *Banks* ſecond Propoſal was chiefly by way of Explanation of their firſt, with little material Difference.

But the South-Sea Company in their ſecond Propoſal, advanced the Sum certain to be paid to the Public to 4,667,000 *l.*

And if all the Annuities were taken in, then the Sum to be paid to the Public wou'd amount to 7,567,500 *l.*

Theſe Propoſals having been at that time publiſh'd in Print, are not thought neceſſary to be inſerted here.

THE SOUTH-SEA-COMPANY having now out-bid the *Bank*, their Propoſal was accepted, and a Bill order'd to be brought in.

Thoſe in the Houſe, who had *objected* againſt giving the South-Sea-Company, the *African Trade*, *Nova Scotia*, and that which was the *French Part of St Chriſtophers*, being animated and ſtrengthen'd by the Competition of the *Bank*,

Bank, to oppoſe the ſame more ſtrenuouſly; the South-Sea-Company were prevail'd with to leave thoſe Advantages out of their Propoſals, which were the ſubſtantial things to have ſupported their Stock, but ſtill with aſſurance from thoſe in the Adminiſtration, of uſing their utmoſt Endeavours to obtain them for the Company. But the Price of South-Sea Stock from the time of accepting their Propoſal, to the paſſing the Act, riſing very conſiderably, and the *Bank* and their Friends alwas oppoſing whatever appear'd to be for the Benefit of the *South-Sea* Company; they could never obtain thoſe advantageous Grants. which they had much depended on (as ſolid ſupports to the Stock) tho' they frequently importun'd, and preſs'd the Miniſtry for the ſame.

From the *Competition* and *Oppoſition* of the *Bank* may be juſtly dated the Ruin of this Scheme, and the Riſe of the Miſeries and Miſfortunes that have attended the Execution of it, as there will hereafter be Occaſion to mention.

SECT.

SECT. III.

An Account of the ſeveral Subſcriptions, and the Motives upon which they were made.

THE extraordinary Riſe of the *South-Sea* Stock, before the paſſing the Act, together with the *Oppoſition of the Bank*, having *defeated the Company of thoſe Grants and Settlements*, which they had *depended upon*, as the *ſolid Supports of the Stock*, as has been already hinted: nothing was left them, *but the Opinion of Mankind*, to enable them to *execute the Act*, which put them under a more than ordinary Neceſſity of complying with the general Diſpoſition of the People; And therefore, tho' their Original Deſigns and Intentions were to have no *Subſcriptions but of the ſeveral Annuities and Debts, that were to be taken in:* Yet there being immediately after paſſing of the Act, a *prevailing Notion*, among many of the Proprietors and others without Doors, *(for it did not proceed from the Directors)* of taking in *Money Subſcriptions*, and this Opinion growing univerſal; the Directors found themſelves under a *neceſſity to depart from the Method, they had firſt intended to proceed in*, and to *begin the Execution of the Act* with a *Money Subſcription*, to which they were the more eaſily induc'd, finding

ing the Method prescribed by the Act wou'd require a great many Months to effect the taking in but a part of those Public Debts, and that unforeseen Accidents might so reduce the Price of Stock, as wholly to defeat the Execution of the Act, and yet the Company wou'd remain under the Obligation of paying to the Public *Four Millions, Six Hundred Sixty Seven Thousand Pounds, tho' no part of the Act shou'd be executed.*

A further Inducement to admit of a Money Subscription was, That they might be thereby enabled to pay off such of the Redeemable Debts, and to offer Money to such of the Annuitants, as shou'd not be inclined to take Stock for the same, they not being then certain, there would be such an Universal Disposition in those Proprietors to accept Stock for their Debts and Annuities, as afterwards appeared; But when that Disposition did appear, the Directors had no Occasion to apply the Money to that Use. By these and the like Considerations, the Directors were prevailed on to open a Money Subscription at 300 *l. per Cent.* with distant Times of Payment, and without limiting the Sum to be taken in; Stock being then 285 *l. per Cent.*

The Method they proceeded in was, That every Director took the Names of those Persons who apply'd to them, and the Sums for which they desir'd to be admitted into that Subscription; which when brought together, and cast up, amounted to so large a Sum, and the Names were of so considerable Persons; that tho' their first Intention was to have had that Subscription for no more than One Million, or at most One Million and a half, and tho'

 they

they permitted no one Person to have more than 4000*l.* and the Sums desired, were generally reduc'd: yet the Directors found they could not bring the Subscription to a less Sum than Two Millions, Two Hundred and Fifty Thousand Pounds; without giving such Disgust, as might prove prejudicial to the Company.

The first Money Subscription being thus fix'd, and the Sum it amounted to being 6,750,000*l.* of which 60*l.* *per Cent.* being 1,350,000*l.* paid down, the Directors thought this Subscription a sufficient Fund, to enable them to execute the rest of the Act; and accordingly came to an *unanimous Resolution*, of taking *no more Money Subscriptions.*

But this Subscription soon selling at a considerable Profit, it can't be forgot, how impatient *Persons* of *all Ranks and Degrees* were *for another Money Subscription*, and by their Importunity, did prevail on the Directors to agree the 28th of *April*, to open one, which was done on the 30th of the same Month at 400*l.* *per Cent.* of which 40*l.* *per Cent.* was paid down: and the same Day, they resolv'd it as their *Opinion*, Nemine Contradicente, *not to take any farther Subscription in Money.*

This Subscription was intended also *not to exceed a Million*, but the Application to get into it, was such, that when the Directors came to examine the Names and Sums demanded, they found *they could not reduce it, under a Million and a half, without giving the greatest Offence.*

But the Directors Thoughts being intent upon *executing the Act*, according to their first Design, *by taking in the Annuities and Redeemables, especially the former*, on which the Parliament had

had laid ſo great Streſs: They (the ſame Day on which 'twas agreed to open the Second Money Subſcription) *previouſly reſolved* on a Subſcription for the *Annuities*, which met with ſuch Succeſs, that in a few Days, above *two thirds* of them were brought in; And on the 19th of *May*, (the Price of Stock being then 375 *l. per Cent.*) the Directors fix'd the Price for the ſubſcribed Annuities at 32 Years Purchaſe, to be paid as follows, *viz.*

For 100 *l. per Ann.*

Stock 700 *l.* at 375 *l. per Cent.* which amounts to ——— ——— — —	2625 *l.*
In Money and the Companies Bonds - -	575 *l.*
Total for 100 *l. per Ann.*	3200 *l.*

This gave great Satisfaction to all Parties concerned, and the Stock and Subſcriptions advanc'd ſo faſt, that when the Parliament roſe, the Stock was at near 800 *l. per Cent.* and the Second Subſcription ſold for 500 *l. per Cent.* Profit.

TO SHEW that the Riſe of the Stock, and what was then done, in the Execution of the Act, was far from being at that time thought any ways Criminal: It may be permitted to cite a Paragraph in *His Majeſty's moſt gracious Speech to both Houſes of Parliament*, on the 11th of *June*, when that Seſſion ended, *viz.* 'The 'good Foundation you have prepar'd this Seſ- 'ſion for the Payment of the National Debts, 'and the Diſcharge of a great part of them, 'without the leaſt Violation of the Public 'Faith, will I hope, ſtrengthen more and

'more the Union I desire to see among all 'my Subjects, and make our Friendship yet 'more valuable to Foreign Powers.

And a Copy of the Speech to His Majesty the same Day, by the Speaker of the *House of Commons*, has been seen, wherein were the following Words, *viz.*

Most Gracious Sovereign,

'YOUR Majesty's most Dutiful and Loyal 'Subjects, the Commons of *Great Britain* in Parliament assembled; had no sooner 'dispatch'd so much of the Supplies as were 'necessary to carry on the current Service, but 'they immediately apply'd themselves *to find 'out Means for lessening the Public Debt*; in 'which, if your Commons have the Satisfa'ction to see the Success of their Endeavours, 'exceed even what the most sanguine cou'd 'hope; If Your Majesty's good Subjects have 'now a certain Prospect of being eased of 'of the heavy Load, of very near Eight Mil'lions, in a little more than the compass of 'one Year: If the Difficulties in discharging 'that part of the National Debt, which by 'some were thought to be insuperable, without 'Breach of the Public Faith, are now in a 'manner overcome; and if at the same time, 'every Branch of the Public Credit is advanc'd 'to an unexpected, and some of them even to 'an amazing, height: Yet Your Commons 'must confess, that they have been only the '*happy Instruments* in conveying these Benefits 'to Your People, and that all the Merit they 'can claim, is in *not having neglected an Oppor'tunity*, which the flourishing State of the Pub'lic Credit put into their Hands; and must in

'Justice

'Justice acknowledge, that all these surprizing 'Events, *are owing to that profound Veneration* '*and Esteem, which this Nation, and all Europe,* '*has for Your Majesty.* For *Credit* is so *nice* '*and delicate in it's Nature,* that though in all 'other Affairs, *no Detriment is perceiv'd, no Mis-* '*chief is felt, till a Calamity comes:* Yet in what-'ever *relates to Credit, the very Fear and Appre-* '*hension of Calamity is as mischievous as the Cala-* '*mity itself, and Diffidence is the same thing as* '*Destruction.* Credit therefore, is only maintain'd 'in it's present flourishing Condition, by the 'Experience Your People have had, of the '*Vigilance of Your Majesty's Councils,* and the '*Reliance on the Steddiness of Your Conduct*; and 'since the just Confidence Your Subjects place 'in Your Majesty's known Prudence and Wis-'dom, has enabled Your Commons to make 'so great Progress, towards discharging the 'Public Incumbrances: It would have been '*highly unjust,* when Your Majesty condescend-'ed to desire the Advice and Assistance of 'Your Commons, *had they declined to support* '*the Honour and Dignity of the Crown, at a Time* '*when the Nation receives so much benefit from its* '*Lustre*; and it would have been equally un-'grateful, had they not cheerfully provided 'the necessary Aids, to make the Supplies 'voted at the Beginning of this Session ef-'fectual.'

THE PRICE OF STOCK, and also of the first and second Subscriptions, advancing daily from the time of fixing the Price for the Annuities taken in, caus'd many pressing Sollicitations from Persons of all Ranks and Degrees for another Money Subscription, to which the Directors

Directors conſtantly ſhew'd an Averſion, and endeavour'd to diſſwade them from it; *giving for Anſwer, The Reſolution they had come to, againſt any more Money Subſcriptions.* But this did not ſtop, but rather encreas'd the general Importunity; and from Perſwaſions many proceeded to Menaces and Clamour, back'd with Imputations, that if that favourable Opportunity of executing the Scheme was *neglected*, the *Blame muſt be charg'd on the Directors:* Whereby they were at length brought almoſt to an *abſolute Neceſſity* of opening a third Money Subſcription, which they did on the 17th of *June* 1720. And the ſame was opened the ſooner, at the *earneſt Inſtance* of *many Members* of *both Houſes*, who deſired it might be made before their going into the Country.

At this time the Price of Stock being about 800 *l. per Cent.* and the Second Subſcription ſelling for about 500 *l. per Cent.* advance, and great Numbers of thoſe who deſired to be admitted into the Third Subſcription, having requeſted it at 1000 *l. per Cent.* The Directors thought they could not ſet it at a leſs Price; but they allow'd ſuch Times of Payment as with the *Midſummer* Dividend, reduced it to about 800 *l. per Cent.*

This met with no Blame from any Perſon at that time, but on the contrary, univerſal Approbation; as appears by the Price this Third Subſcription bore, it ſoon ſelling at 300 *l. per Cent.* Profit.

When this Subſcription was compleated, the Directors came again to a *Reſolution of taking no more Money Subſcriptions*; and apply'd themſelves to take in the Remainder of the *Annuities* and *Redeemables.* To which end on the 8th of *July*, they

they agreed to open their Books on the 12th of that Month, to take in part of them, which was accordingly done, and in a few Days, moſt of the *Redeemables* and *Annuities* ſtanding out, were ſubſcribed; but ſome of the Proprietors of thoſe *Debts* and *Annuities*, by reaſon of their abſence or other Impediments, not having an Opportunity to ſubſcribe, before the Books were ſhut, made great Application to the Directors to be be admitted; who being willing to compleat the Execution of the Act, with as much Expedition as they could, did on the 27th of *July*, reſolve to open Books on the 4th of *Auguſt* following, for taking in the Remainder of thoſe *Debts* and *Annuities*, and moſt of thoſe which were ſtanding out were then brought in.

On the 12th of *Auguſt* the Price of Stock, incluſive of the *Midſummer* Dividend, was upwards of 900 *l. per Cent.* which made the Stock, excluſive of that Dividend, about 820 *l. per Cent.* The Directors agreed to fix the Price of the ſubſcribed *Long Annuities* at 36 Years Purchaſe, and the *Redeemables* at 105 *l. per Cent.* and the Price of Stock to be given for the ſame, at 800 *l. per Cent.* ſo that the *Redeemables*, conſidering they were taken in at 105 *l. per Cent.* had the Stock at about 60 *l. per Cent.* under the current Price, which gave general Satisfaction at that Time.

It farther appeared, even to Demonſtration, that the Terms allowed for the *Annuities* and *Redeemables* which were ſubſcrib'd, were very ſatisfactory, becauſe they were ſold at a much higher Price than the unſubſcribed; and, ſome time after this Price was declared in the *Gazette*, many *conſiderable Proprietors* of the *unſubſcribed Annuities* and *Debts*, preſs'd and aſk'd it as a Favour,

vour, to be, and were accordingly, admitted to ſubſcribe; and particularly ſeveral *Foreigners* and *Merchants*, entruſted here, by them for their Uſe.

ALTHOUGH the Directors had come to ſeveral *Reſolutions againſt any farther Money Subſcriptions*, thoſe *Reſolutions* were not ſufficient to ſtem the repeated Applications for the ſame, from *Multitudes of all Ranks*; and the Proprietors of the Stock began to clamour at their not being *admitted* to their *Proportions* in the former Subſcriptions, and ſome of them threaten'd to demand a *General Court*, to order, that the *Proprietors* might be *admitted* to a *Subſcription* in *proportion to their Stock*, which obliged the Directors to take that matter into Conſideration; And the ſame day on which they fix'd the Price of Stock for the two laſt *Subſcriptions* of the *Annuities* and *Redeemables*, they agreed to take a *Subſcription* of 20 *per Cent.* on Stock for the *Proprietors only*; the Stock in ſuch Subſcription to be valu'd at 1000 *per Cent.* which at that time gave great Pleaſure and Satisfaction to the Proprietors, and 40 *l. per Cent.* was offerr'd, for the Privilege of that Subſcription.

But this did not take off the Applications for another Money Subſcription to all Perſons indifferently, to which the *Directors* ſhew'd a great *Unwillingneſs*; but by the continued Sollicitations of *Multitudes of all Degrees*, and from *all Parts*, they at length conſented to open a Fourth Money Subſcription on the 24th of *Auguſt*, at 1000 *l. per Cent.* excluſive of the *Midſummer* Dividend, (the Third Subſcription then ſelling at about 300 *l. per Cent.* advance). But to prevent this Subſcription running to an exceſſive Sum; they agreed that one fifth part, being 200 *l.*

per

per Cent. ſhould be paid down, and none to be admitted, but thoſe who brought their Money that very day.

The eagerneſs for this Subſcription was ſo great, that notwithſtanding this Precaution, and the Directors full Intention, that this Subſcription ſhould not exceed a Million, yet in a few Hours, there was 1,200,000 *l.* ſubſcrib'd, although many were excluded, who preſs'd very earneſtly to come in. Had not the Directors taken that Precaution, in relation to this *Fourth Subſcription*, it would probably have ſwell'd to a larger Sum than the *Third*; as is manifeſt, not only by the eager filling ſo great a Sum, (as is mentioned) in ſo ſhort a ſpace, and the *numberleſs Letters*, the *Directors receiv'd* from Perſons who deſired to be admitted into it, but alſo by a memorable Reply, that a *great Miniſter of State*, ſince dead, made to them, upon their informing him of the Method they intended to proceed in; who thereupon told them, That he himſelf had a Liſt for *above a Million* for that Subſcription, and that therefore, if they would proceed in the Method they had propos'd, without taking in Liſts, as they had done in the Third Subſcription; he deſir'd that they would *publiſh* an *Advertiſement* in the *Daily Courant*, that it *was not in his Power to ſerve his Friends*; that thereby he might *clear himſelf* from the Clamour and Charge, that would ariſe againſt him, for having neglected them.

As to the Subſcriptions for 20 *l. per Cent.* to be limited to the Proprietors only, the ſame was afterwards, for ſeveral Reaſons, thought fit by the *General Court* to be omitted.

The Spring of the Money Subſcriptions aroſe from without Doors, and not from the Di-

 rectors

rectors themſelves, as already mentioned; and one may venture to ſay, *Thoſe Subſcriptions* were *countenanc'd* by the *Parliament*; for that after the *firſt Money Subſcription* was taken, there having ariſen ſome doubt concerning the Validity thereof: The Parliament were pleas'd to paſs a Clauſe in the Act, *for eſtabliſhing the two Inſurance Companies*, confirming not only the Subſcription taken, but alſo all ſuch Subſcriptions as ſhould *after* be *taken*; and to *make* the Receipts that ſhould be given out for the ſame, *aſſignable in Law*, which they would not have been *without Authority of Parliament*.

SECT. IV.

Contains an Account of the Loans on Stock, and Subſcriptions, and of the Powers given by the General Court to the Court of Directors for ſuch Loans; With Anſwers to the Objections concerning the ſame.

FORASMUCH, as by ſeveral *Reſolutions* of the Houſe of Commons, and the Preamble to the Bill for taking away the late Directors Eſtates, as the ſame was *firſt brought* into that Houſe; It appears, that what is called the Exceedings of the *Loans*, was the *Principal Ground*, on which the Houſe went, for *taking away* their Eſtates, and *ſubjecting* them to other

Hardſhips

Hardſhips in that *Bill:* It is preſumed, it will be no unacceptable thing to the Public, to ſet that Affair in a clear Light.

But firſt of all it may be neceſſary to premiſe, That at the firſt entering into this Scheme, the Directors had not the leaſt Thoughts or Intention of lending Money upon Stock, their Deſign being only the taking in the *Annuities* and *Debts* themſelves by Subſcription.

But while the Bill was depending, a *Motion* was made in the *Houſe* of *Commons*, for inſerting a Clauſe therein; to *enable* the *Lords* of the *Treaſury*, to make forth *a Million of new Exchequer-Bills* to be *lent by them*, or *Truſtees* to be *appointed by them*, to ſuch Perſons as ſhould deſire the ſame upon *South-Sea* Stock; which was alledged, would be a means to make the Execution of the *Act* more certain.

This Propoſition appear'd very pleaſing to the Houſe; only it was objected; that the lending thoſe Bills, ſhould not be in the Lords of the *Treaſury*, or Truſtees appointed by them, leaſt they ſhould make diſtinction of the Perſons they lent them to, and ſo oblige their Favourites, and refuſe all others. Therefore, it was thought more adviſeable, that the whole Sum ſhould be lent to the Company, and they to lend it out as they thought beſt, to avoid that Partiality, which in the other Method was apprehended might by ſhewn, and accordingly the whole Sum of thoſe Bills was lent to the Company.

This gave the *firſt Riſe* to the *Notion of Loans upon Stock*, and fill'd every bodies Head with a deſire of being Borrowers, and caus'd the purchaſing of great Quantities of Stock, to be paid for at ſuch diſtant Times, as it was

thought the *Exchequer-Bills* might be prepared in, and iſſu'd out: ſuch Purchaſers hoping to borrow ſo many of thoſe Bills, as might enable them to pay for the Stock they had bought.

THE COURT OF DIRECTORS having, as abovementioned, taken the firſt Money Subſcription on the 14th of *April*, for 2,250,000 *l.* at 300 *l. per Cent.* of which 60 *l. per Cent.* was paid down, they call'd a *General Court* on the 21ſt of the ſame Month, and acquainted them therewith; at which *General Court* it was conſider'd, That the Deſign of the Government, by their lending to the Company a *Million* of *Exchequer-Bills*, was to *enable them* to *lend Money on their Stock*, and that there would be great Sums of the Subſcriptions and other Money remaining in hand, which if kept dead, till the ſame could be apply'd to pay off the *Annuities* and *Debts*, might prove very prejudicial to, and *ſtagnate* the *Public Credit*, and be likewiſe prejudicial to the further Execution of the *Act*: Therefore it was thought proper, *That Money* ſhould be us'd, in lending on the *Stock* of the Company, whereupon they came to the following Reſolution, *Nemine Contradicente*, viz.

THAT *the Court of Directors be, and are hereby empowered from Time to Time, as they ſhall ſee for the Intereſt of the Company, to lend any Sum or Sums of the Companies Money*, on the Companies preſent, and to be encreaſed Capital; *and to do all ſuch Matters and Things as they ſhall judge moſt for the Good of the Company.*

The Objections made to the Conduct of the Directors with reſpect to the Loans, are the three following, *viz.*

Firſt,

First, That there was more lent in ſeveral of the Loans to ſome Perſons, than by the Regulations or Orders made by the Court of Directors, ſhould have been lent to any one Perſon.

Secondly, That in ſeveral Inſtances, there was more lent upon each 100*l.* Stock, than by the Orders of the Court of Directors ſhould have been lent.

Thirdly, That the Court of Directors had not a ſufficient Authority from the General Court to lend any Money upon Subſcriptions.

For anſwer to the two firſt of theſe Objections, It ought to be conſidered: That the Order of the General Court, to impower the Court of Directors to lend Money, was without any Reſtrictions, as to the Sum to be lent to any one Perſon, or the Sum to be lent upon each Hundred Pound Stock; ſo that all thoſe Reſtrictions and Regulations were made only by the *Court of Directors*, who had *Power* to *revoke*, *alter*, or *diſpenſe with their own Orders.* For no Man can doubt, but that the ſame Power, which makes any Laws, Rules or Orders, can diſpenſe with, alter or diſannul, their own Laws and Orders.

But if it can be ſuppos'd that this Acquieſcence was not ſufficient to repeal or diſpenſe with the former Regulations of the Court of Directors, as to theſe Loans: Yet as the Care of thoſe Loans, and the keeping up to the Regulations concerning them, was wholly referred to the Committee of Treaſury; why ſhould the Loſs thereby be charged upon all the reſt of the Directors? And it ſeems more difficult to aſſign a juſt Reaſon, why ſeveral of that Committee have larger Allowances granted them for their Subſiſtence, in proportion to their Eſtates,

ſtates, than many others who were not of that Committee.

AS to the third Objection, that the Court of Directors had not ſufficient Power to lend any Money on Subſcriptions.

We obſerve, That the *Court of Directors* were *by the Order of a General Court, impower'd to lend any Sum or Sums of the Companies Money, on the Companies preſent and to be encreaſed Capital*, which Words, *To lend the Companies Money on the Companies to be increaſed Capital:* It is conceived, could have *no other Conſtruction, than to lend any Sum or Sums of the Companies Money on Subſcriptions.*

FOR as the *Annuities ſubſcribed in* May *following*, they were not, nor could not, with all the Application the Court of Directors and their Officers could uſe, be made *Capital Stock*, ſo as to be Transferr'd, or made capable of lending Money thereon, *till* October *following:* And the *Subſcriptions* for the *Redeemables* taken in *July* could not, although all poſſible Endeavours were us'd to forward them, be made *Transferrable Stock*, or capable to be lent on, *till* December *following*. So that it is not to be ſuppos'd, that the *General Court* ſhould *give the Court of Directors a Power*, which they could not *begin to put in Practice, till ſix or eight Months after*; which muſt have been the Caſe, if thoſe Words, *to be increaſed Capital*, were to have had *any other Conſtruction*, than that of the *Money Subſcriptions.*

And to demonſtrate that by the Words, to be *increaſed Capital*, the *General Court did intend, and underſtood to be meant*, the *Money Subſcriptions*, They at the *ſame General Court*, termed the *firſt* and *other Money Subſcriptions*, ADDI-

TIONAL

TIONAL STOCK, which is of the ſame Signification, as *to be encreas'd Stock*; for after they had voted the Ten *per Cent.* Stock for the then next *Midſummer* Dividend, they therein made the following Reſolutions, *viz.*

That the ADDITIONAL STOCK to be made to this Company, by the PRESENT SUBSCRIPTION, being the *firſt Money Subſcription*, and all ſuch ADDITIONS as ſhall be made to the Capital Stock of this Company, before *Midſummer* next, either by Subſcriptions or otherwiſe, ſhall be intitled to the like Dividend.

It is farther to be noted; That at a General Court held the 8th of *September* 1720. which was after the Loans on Stock, and Subſcriptions were made and publickly known: They came to a Reſolution, *Nemine Contradicente*, in the following Words, *viz.*

Reſolv'd, That this Court doth approve of, and thank the Sub and Deputy Governors and Directors, for their prudent Conduct, in executing ſo great a Part of the Act of Parliament, for enlarging the Companies Capital Stock.

Which is ſurely an Approbation of the ſaid Loans on Stock and Subſcriptions, as well as the other parts of the Directors Conduct.

It may be further added on this Head, That the Money lent on ſuch Stock and Subſcriptions, was but about half what they were currently ſold for, at the Times the Loans were made.

The Facts of the Directors Proceedings in the Execution of the Act being thus ſtated, and the Motives which led them into the ſame, being all Matters of ſo public a Nature, that moſt of them appear in the Minutes of the *General Court*, and *Court of Directors*, and the

reſt

reſt being what *every Man's own Conſcience*, who had any *Negotiations* in, or made any Obſervation of the Tranſactions of that Time, will confirm, they will not admit of being controverted.

IT is moreover preſumed, That the Proceedings of the Directors, may be juſtify'd by the common and natural Rules of *Reaſon* and *Prudence*.

FOR it ought to be conſider'd, that the *Parliament* not only expected, the *Company* ſhould bring the *Annuities* into a ſtate of *Redemption*, but alſo ty'd the Company down, *abſolutely to pay to the Publick* FOUR MILLIONS, SIX HUNDRED, SIXTY SEVEN THOUSAND POUNDS certain, whether any part of the Act was executed or not, and alſo to pay about *Three Millions* more for the *Annuities*, or in Proportion to ſuch part thereof, as they ſhould take in.

And it may be farther juſtly obſerved, How wide a Difference there was, between the *Original Scheme*, and the *Act of Parliament*. For had *That Scheme* taken place, as at *firſt propoſed*, neither the *Public*, nor the *Company* could have undergone a Diſappointment in the Execution of it; but as the *Act* was made, the *failure of Execution*, would have *coſt* the *Company above* 40 *per Cent. of their then Capital*, whereby their Stock would have been reduced to under 50 *l. per Cent.* which, when the Scheme was firſt propoſed, ſold at about 118 *l. per Cent.* tho' intrinſically worth but about 90 *l. per Cent.*

If there were no other Reaſons, yet the Danger of ſo great a Loſs to the Company, made it indiſpenſibly neceſſary for the Directors to endeavour to go through with the Execution of the

the Act with the utmost Expedition, and in such manner as they could, whilst People were in a Disposition to come into it; for had they neglected the Execution when it was in their Power, and thereby subjected the Company to so great a Loss; might it not have been as likely, and with more appearance of Reason, that their Estates would then have been made liable to answer that Loss to the Company; than that their Estates should now be taken away, towards recompensing to the Company the Loss by the Loans, for making which Loans they had the Authority of the General Court?

SEEING then the increasing to so great a Sum, the Sum to be paid by the Company to the Public, was a Means that contributed to the Miscarriage of it: It is reasonable to conclude, that however any Persons at the time of passing the Act, might boast, that by the *Banks* Opposition, they had gained to the *Public* Four Millions of Money; YET, to considering and impartial Judges, it will rather be thought, That they lost the Public a Million and a half of Money, and disappointed the best Scheme that ever yet appeared for bringing the Nation entirely out of Debt, and were the *Original Source* and *Spring* from whence *all* the *late Calamities* flow'd.

And those who would be impartial in their Judgment, ought to consider, and make Allowance for the *prevailing Humours* and *Passions* of *all* Degrees of People at *that Time*, which over-run all Bounds of Moderation and Discretion; And should these unhappy Directors have taken upon themselves alone, to have stopp'd that Torrent, and acted the reverse of what they did, and had admitted of no Money Subscriptions,

 or

or kept the Money taken upon those Subscriptions, till they could have paid off the Redeemables, which could not have been done in a Year's time; Would not that Stagnation of Money have distress'd the Public Credit, and ruin'd the further Execution of the Act? And can any one conceive the Load of Censure, or worse, which they must have thereby unavoidably been brought under, as being the Cause, not only of defeating the Execution of the Act, but also, of all the Calamities, Misfortunes, and Losses that had ensued.

SECT. V.

Of the Causes which contributed to the Extravagant Rise of Stock, and the Losses and Misfortunes, which ensued.

IT IS NOT to be wonder'd, if Persons sustaining severe Losses, and labouring under the heavy Effects of them, should not immediately form a just Judgment of the real Cause of those Misfortunes, and so attribute them to something near at hand, though the most remote from the true Cause, and consequently fix the Blame any where but upon themselves. So in the present Case, the late Directors of the *South-Sea*-Company, having the Execution of the Act in a great Measure committed

mitted to their Care, and the Transactions of that Company having been most in View, whatever Misfortunes happened, either by *South-Sea*, or by any other Stock, or even by the Bubbles; the whole became a Subject of Complaint against the *South-Sea* Directors.

But as there is now Reason to believe, that the accustom'd Temper and Candor, which most Men govern'd themselves by, has recover'd it self; it may be proper, without Prejudice or Partiality, to trace the genuine and original Springs and Causes from whence those Misfortunes have arose.

The Scheme in it's first Original Form, and as deliver'd to those in the Administration, has been shewn, together with the Method then laid down for the executing thereof.

There it may be observed; that the highest Calculation of the Stock was 160 *l. per Cent.* and that Advance supported by such beneficial Grants to the Company, which if pursu'd, and ripen'd into actual Execution, would have kept the Stock at least to that Price, without being detrimental to any. But several public Advantages would necessarily have arisen therefrom, some of which shall be here again repeated.

First, *The bringing the Annuities into a state of Redemption*, which had been always thought the unsurmountable Obstacle to getting the Nation out of Debt.

Secondly, *The reducing the Interest of the Public Debts from* 5 *to* 4 per Cent. and thereby increasing the sinking Fund, above 540,000 *l. per Ann.* by which *the whole Debt of the Nation* might have *been paid off in about* 24 *Years.*

Thirdly, *The lowering the common Rate of Interest*, which would soon have followed, as a necessary Consequence thereof.

Fourthly, *The Trade and Revenues of the Kingdom would have been increased*, by the peopling and cultivating *Nova Scotia*, and the *French* part of *St Christophers*; and especially, by enlarging and opening the Trade to *Africa*, into the Inland Parts of the Continent, whereby they could scarce have fail'd of discovering the many rich Gold Mines, which unquestionably are there, and from thence *an immense Treasure* might have been *brought into this Kingdom.*

These appear to be some of the pleasing Thoughts, which entertain'd the Minds of the Authors in the first Formation of the Scheme, and could not but charm the Heart of every sincere well Wisher to the Prosperity of the Nation; but as no Age nor Country has been free from Persons, who, under the specious Name of Patriots, have malign'd and oppos'd every thing that has appear'd for the common Benefit, whereof they have not been the Authors; falsely imagining that whatever Credit any other Persons obtained, is a diminution to themselves, and thus it has happen'd in some respect in the Case before us.

For tho' this Scheme, as deliver'd to the Chancellor of the *Exchequer*, was by him, as we are well assur'd, offerr'd to the Directors of the *Bank*, and they, as he says in his before quoted Speech, shew'd a great Backwardness in undertaking any thing for the *reducing the Public Debts*, and treated this Scheme with Contempt; yet as soon as they found the *South-Sea* Company were like to come into it, the *Bank* and their Friends began

began to raiſe Objections to it, as not ſufficiently advantageous to the Public, there being no Certainty of what the Public ſhou'd gain by it; becauſe as the ſame was firſt propos'd, the Money payable to the Public was only *pro rato*, and in Proportion to the Sum of the *Annuities* and *Debts* which ſhould be taken in.

THIS Objection caus'd that Alteration which was made in the Scheme, before the ſame was ſhewn to the Court of Directors; whereby the Company were to be obliged to pay the Public, a Million and a half certain, in all Events for the Redeemables, whether any of them were taken in or not.

AND TO THIS OPPOSITION, may be, as is before ſhewn, juſtly imputed the *beginning of the* DESTRUCTION OF THAT SCHEME, and of the Misfortunes that enſu'd: Not that this was the only Share the *Conduct of the Directors of the* Bank had therein, as will appear by what follows.

For no ſooner was this Scheme open'd in the Houſe of Commons, in favour of the *South-Sea* Company, but (as is before ſet forth) it appear'd the *Bank* were come to a Reſolution to be Competitors for it; which ſo warm'd the Spirits of the Proprietors of the *South-Sea* Company, that tho' what was firſt propos'd to them, was but a *Million and a half certain* for the *Redeemables*, and about the *like farther Sum* for the *Annuities*, or *pro rato*, for ſo many of them as ſhou'd be taken in; yet they were prevail'd upon to make their Propoſal 3,500,000 *l.* certain, for the whole of the Annuities and Debts.

BUT the *Banks* Propoſal, which was deliver'd at the ſame Time, amounted to above 5,500,000 *l.* which was above TWO MILLIONS

LIONS *more* than the *South-Sea Companies Proposal.*

THIS Proposal of the *Bank*, exceeding so much that of the South-Sea Company, gave the first Fire to the Imaginations of Mankind, that there was something more advantageous in this Scheme, than had been conceiv'd; so that to this (as it may be safely call'd) *extravagant bidding of the Bank*, may be attributed the subsequent Dealings in this Stock, at such *excessive* and *pernicious* Prices.

AND this Offer of the *Bank* spirited up the General Court of the South-Sea Company, to give that Instruction to their Directors, *not to lose the Scheme, cost what it would.*

It was given out, That the *Bank* would considerably advance beyond their first Proposal, (which was not without Foundation, for 'tis certain, they were advis'd, and had once agreed to make an Offer of Nine Millions) whereby the South-Sea Directors were driven in to the making the large Offer in their second Proposal: And from the Time of the Acceptance thereof, began those great Transactions in the Stock, which occasion'd all the Misfortunes that have happened. For tho' in Reality *the Scheme* was *so much* the *worse*, as the *Money paid for it to the Public, exceeded what was at first proposed*, Yet by the OPPOSITION and great Offer of the *Bank*, Peoples Minds were so heated, and their Passions so animated, with *Apprehensions* of *inconceivable Advantages*, that from this time, they seemed to *throw away all Reason*, and give themselves up *wholly to Humour.*

SO that, as has been said, upon the *Banks* COMPETITION and OPPOSITION, may

may be charged the Principal Cauſe of all the Misfortunes that follow'd.

NOR was this the laſt Step which the Directors of the *Bank* took, that contributed to our Misfortunes.

FOR though it had often been propos'd to them by their Proprietors, to lend Money upon their own Stock, yet they could never be brought into it, till the *South-Sea* Stock was greatly advanced, and then they came into a Reſolution, of lending Money on their own Stock, which could not be done with any other View, than that of raiſing it beyond it's real Value, and farther puſhing up of the *South-Sea* Stock, as Mr *Aiſlabie* has very well obſerved in his ſaid Speech: wherein Page 15. ſpeaking of the Bubbles, he expreſſes himſelf as follows, *viz.*

'My Lords, I muſt not omit to take Notice, 'that this Spirit of Bubbling had prevailed ſo 'univerſally, that to ſhew you what would have 'been the Caſe, if the *Bank* had obtained the 'Scheme, the very *Bank* became a Bubble; and 'this, my Lords, not by Chance or Neceſſity, 'or from any Engagement to raiſe Money for 'the Public Service, but from the ſame Spirit 'that actuated *Temple Mills*, or *Garraway's Fi-* '*ſhery*. For this Purpoſe, My Lords, they en- 'tertained a Scheme in Imitation of the South- 'Sea, of lending Money upon their Stock, which 'as it contributed to raiſe the Price of their own 'Stock, ſo it furniſh'd a Supply of Caſh to the 'Gameſters in the Alley, that at once puſh'd up 'the Bubbles, and the South-Sea to an immo- 'derate height. But as this was intended chief- 'ly to advance their own Stock, let the Project 'come from what Hand ſoever, it was foun-

'ded

'ded in the ſame Iniquity with any other 'Bubble, and was of ten Times more danger-'ous Conſequence: For as *Bank* Stock was rai-'ſed by it, from 150 *l.* to 245 *l.* and as it has 'from thence fallen to 130 *l.* there have been 'many Millions loſt upon it, beſides the fatal 'Conſequences it had like to have had upon the 'Public Credit: for, for want of this Money, 'which was lock'd up in Loans upon their own 'Stock, and could not readily be come at; 'they were at a Loſs when the Cruſh happened, 'and were forced to have recourſe to Subſcrip-'tions, ſupported chiefly by the Adventurers of 'the South-Sea, and to a MEMORABLE 'BARGAIN with the South-Sea Company.

And to confirm what Mr *Aiſlabie* ſays would have been the Caſe, if the *Bank* had obtain'd the Scheme; and to convince the World, that the *Bank*, if they had had it, would have executed it, at the higheſt rate they could: One need only reflect how ſollicitous almoſt every Director of the *Bank* was, to get into the Third Subſcription; inſomuch, that when the Directors of the South-Sea Company had limited, in order to prevent that Subſcription running up to an exceſſive Sum,

That no Member of Parliament (except ſuch as were in the Liſt of Perſons in the Adminiſtration) nor Director of the Bank *or* Eaſt-India *Company, nor Alderman of* London, *ſhould have more than* 1000 *l. in that Subſcription. One of the moſt conſiderable Directors of the* Bank *of* England, *who was then a Member of Parliament, and an Alderman, as well as Director of the* Bank, *wrote a Letter to one of the Directors of the* South-Sea *Company, demanding to have* 3000 *l. in that Subſcription;*

ſcription; as having Three of thoſe Capacities, which were admitted to 1000 *l. each; but the ſame was refus'd him, and he was forc'd, much againſt his Will, to be content with* 1000 *l. Subſcription; but the preſent Governor of the* Bank, *being then Deputy Governor, was, tho' not without great Importunity, admitted to* 2000 *l. in that Subſcription.*

For a further Confirmation of what has been ſaid; It may not be improper to take Notice, that when the Directors of the South-Sea Company agreed to open a Subſcription for the Redeemables, the South-Sea Stock happen'd to be about its higheſt; and then were the *whole Body* of the *Directors* of the *Bank* ſo ſanguine, as to cauſe the following Letter to be written to one of the Directors of the South-Sea Company, *viz.*

SIR,

THE Bank *being poſſeſs'd of ſeveral Sums in the* Redeemables, *transferrable in the* Bank, *not exceeding* 300,000 *l. and having reſolved to write them in upon the preſent Subſcription: We deſire your Favour to inform us, whether we may depend upon its being effected.*

Your Anſwer this Evening, or to Morrow-Morning early, will much oblige,

SIR,

Your Humble Servants,

Bank, 12th *July*, 1720.

John Hanger, *Governor.*
John Ward,
Peter Delmé,
Nath. Gould.

THIS LETTER being laid before the Court of Directors of the South-Sea Company, the *Banks* Requeſt was comply'd with, whereof their Governor being acquainted, the ſeveral Species of the *Banks Redeemables*, which before were in ſeveral Names, were transferr'd into the Joint Names of Mr *Hanger*, their Governor, and Sir *John Ward*, in order to their being ſubſcrib'd into the South-Sea Company; and they made a Letter of Attorney to that Director of the South-Sea Company, to whom they had writ the ſaid Letter, to impower him, to ſubſcribe them in; and the *Governor* of the *Bank* of *England* himſelf did that Director the Honour, to bring that *Letter of Attorney* to his Houſe, who made the Subſcription accordingly.

How far this Eagerneſs of the *Bank* contributed to the hurrying in the reſt of the Redeemables, the Proprietors of thoſe Debts are themſelves the beſt Judges.

The next Step of the *Bank*, that ſhall be taken Notice of, is, that which Mr *Aiſlabie*, in the Paragraph of his Speech before quoted, calls *the memorable Bargain with the* South-Sea Company. Concerning which, that no Injuſtice may be done to the Gentlemen of the *Bank*, the Tranſactions thereof, ſhall be ſet down in the Words of the Minutes of the Committee of the South-Sea Directors, who treated with the *Bank* thereupon, as deliver'd in to the Honourable *Houſe of Commons*.

Thurſday

Thursday 15*th of* September 1720.

At a Meeting of the following Gentlemen.

Sir John Fellows,
Charles Joye, *Esq*;
Sir Theodore Janssen,
Mr Chester.
Sir Matthew Decker,
Sir John Eyles,
Mr Lyell,
William Dawson, *Esq*;

The Gentlemen present discoursed in relation to the keeping up the Credit of Exchange, *and that the Directors of the* Bank *should be conferred with on that Head.*

Friday 16. *September* 1720.

At a Meeting of the same Gentlemen at Mr Lyell's, *present besides,*

Sir Gilbert Heathcote,
Sir Peter Delmé,
Mr Gould.

The Gentlemen again discoursed on the Business of Exchange, *and it was agreed*; *That the* East-India *and* South-Sea Company *should buy* 50,000 *l. in Gold, and the* Bank *took time to consider of it*; *and a Paper was given Mr* Dawson, *to give to the* Bank, *a Copy of which follows, viz.*

The Court of Directors of the South-Sea Company *do think it of importance to the* Public Credit; *that their Bonds to a certain Sum be circulated for a Time to be agreed on, and are of Opinion,*

the same may be best done for the Public Service, by the Bank *of* England; *and if they are willing to undertake the same, the Court of Directors of the* South-Sea Company, *have empowered the Sub and Deputy Governors to treat with them about it.*

Tuesday 20 *September* 1720.

At a Meeting of the Sub and Deputy Governors, and several Directors of the South-Sea Company *and the* Bank *of* England.

The Gentlemen present conferred in the Presence of several Persons of the first Rank, upon the Subject matter of the aforesaid Proposal, and the Result of the Conference was; That the Bank *of* England *shall undertake to circulate Three Millions of* South-Sea Bonds *for One Year at a* Premium, *to be agreed upon betwixt the Two Companies.*

A Subscription to be taken by the Bank, *to carry on the Circulation at* [*Blank*] per Cent. *to be paid down by every Subscriber, and* [*Blank*] per Cent. *upon every Call at a Fortnight's Notice. The Contract with the Subscribers to be made in the Nature and Form with former Contracts for circulating* Exchequer-Bills, *and the Charge of the Circulation to be born by the* South-Sea Company.

That in Consideration of this Undertaking, the South-Sea Company *shall pay* 3,700,000 *l. to be paid to the* Bank *by Notice of Parliament, in* South-Sea Stock, *at a Price be agreed upon betwixt the two Bodies.*

That the Cash of the South-Sea Company *be kept with the* Bank.

Wednesday

Wednesday 21 *September* 1720.

At a Meeting of the Committees *of the* South-Sea Company *and* Bank,

In Pursuance of the abovementioned Paper of the 19*th Instant, it was agreed, That the* Bank *should circulate a certain Sum in this Companies Bonds, or* Bank *Sealed Bills for the Use of this Company for One Year certain; the said Bonds or Bills to run at* 2 per Cent. per Diem. *And that a Subscription should be taken in at the* Bank *forthwith for the said Circulation.*

The Subscribers to pay 15 per Cent. *down, by way of Deposit, and be allowed* 3 per Cent. Premium; *and that the Interest of the said Deposit, and all future Calls, be at* 5 per Cent. per Ann.

Friday 23 *September* 1720.

At a Meeting of a Committee of the Bank *of* England, *and a Committee of the Directors of the* South-Sea Company.

The following Paper was drawn by Mr Walpole, *as the Minutes or Agreement of this Meeting between the two Companies,* viz.

Friday 23 *September* 1720.

At a Meeting of the Committee of the Directors of the Bank *of* England, *and a Committee of the Directors of the* South-Sea Company; *That the Funds of the* Bank *of* England *of* 2,000,000 *l. and of* 1,775,000 *l. making together* 3,775,000 *l. or thereabouts, Redeemable by Parliament, upon a Year's Notice be subscribed into the* Stock *of the* South-

South-Sea *Company, for which the* Bank *shall be intitled to such Shares in the Capital Stock of the* S. S. *Company, as the said Funds will produce. The Stock being valued at* 400 *l.* per Cent. *the* Bank *to be intituled to the Dividend of* Midsummer *last of* 10 *l.* per Cent. *in Stock; and all Profits arising from that Time, the* South-Sea *Company to receive the Annuity due from the said Funds of* 3,775,000 *l. from and after* Michaelmas-Day *next.*

Saturday 24. *September* 1720.

At a Court of Directors of the South-Sea *Company.*

The Sub Governor laid before the Court the above said Minutes, or Agreements of Yesterday's Meeting, between the two Companies, and the same being read.

Resolved, Nemine Contradicente,

That this Court doth approve of, and confirm the said Minute or Agreement.

Resolved,

That the Deputy Governor and Mr Chester, *be desired to go to the Court of Directors of the* Bank *of* England, *and acquaint them, that this Court hath approved of, and confirmed the said Minutes or Agreement,* Nemine Contradicente.

Mr Morrice *came with a Message from the Court of Directors of the* Bank *of* England; *That this Day the said Court had agreed to the Minutes or Agreement, made by their Committee last Night, with the Committee of this Court.*

The Deputy Governor and Mr Chester *being returned, reported; That they had been with the Court of Directors of the* Bank *of* England, *and had acquainted them with the Message sent by this Court.*

The

The same Day, viz. Saturday 24 September. *The following Minute of the Court of Directors of the* Bank *of* England, *was delivered by* Humphry Morrice, *Esq*; *to Sir* John Blunt, *to be delivered to the Sub Governour, and accordingly delivered him*, viz.

At a Court of Directors of the Bank.

On Saturday 24 *September* 1720.

The Governor acquainted the Court, That at a Meeting of a Committee of Directors of the Bank, *and a Committee of the Directors of the* South-Sea *Company, a Proposal was made, which he had obtained in Writing.*

The Proposal was read,

And the Question being put; That this Court doth approve, and agree to the said Proposal.

It was carried in the Affirmative, Nemine Contradicente.

Wednesday 28. *September* 1720.

At a Meeting of the Committee of the Bank *and* South-Sea *Companies.*

The Committee of the South-Sea *Company, acquainted that of the* Bank; *That the Companies Cashier was ready to transfer the Stock for the* Banks 3,775,000 *l. when, and to such Committees, or other Persons as they should appoint to accept the same; to which they answered, They would move their Court for Directions to Mr* Townsend, *their Council,*

Council, to prepare the necessary Writings to be executed between the two Companies.

Monday 3. *October* 1720.

The Committee attended the Gentlemen of the Bank, *to desire them to advance some Money on Account of the Circulation, they wanting Money to pay into the* Exchequer, *for circulating* Exchequer-Bills.

Tuesday 4. *October* 1720.

The Committee attended the Gentlemen of the Bank *on the same Business, and also desired they would expedite the Writings for the Contract between the two Companies.*

Wednesday 5. *October* 1720.

This Committee were this Day with the Chancellor, to discourse on the Interest of the Exchequer-Bills, *and had the Opinion of the Clerks of the* Exchequer *upon it.*

In the Evening the Committee attended the Gentlemen of the Bank, *in the Presence of Lord* Townshend, *Mr Secretary* Craggs, *and the Chancellor; wherein it was agreed, That the Interest of* Exchequer-Bills *should be advanced to* 2 *d.* per Diem. *or* 3 *d. provided the same could be lawfully done.*

And the Deputy Governor spoke to the Governor of the Bank, *to expedite the Writings between the two Companies, who answered they had given Orders about it; and the* Bank *agreed to make good the* 50,000 *l.* Bank Bills, *deposited by the Circulators of* Exchequer-Bills *in Specie.*

Friday

Friday 7 *October* 1720.

The Committee again attended the Bank, *and acquainted them, that the Lords of the Treasury had agreed to fix the Interest of the* Exchequer-Bills *at* 2 *d.* per Diem: *and also acquainted them, that they had been with Mr* Townshend, *to know in what Forwardness the Instrument was, that was to be made between the two Companies; who answered, He had no Orders to draw any such Writing, but the Secretary of the* Bank *had mentioned something of it to him, and the Gentlemen of the* Bank *said necessary Care would be taken of it.*

Monday 10 *October* 1720.

The Committee ordered the Companies Sollicitor to attend Mr Annesly, *the Companies Council, to Commissioner* Townshend, *to see in what Forwardness the Instrument between the two Companies was; and the Sollicitor being returned, acquainted the Committee: That himself and Mr* Annesly *had attended Mr* Townshend, *who told them, he had no Orders to draw the said Instrument.*

Tuesday 11 *October* 1720.

The Deputy Governor and Mr Gibbon *attended the Gentlemen of the* Bank, *and their Court being sitting, Sir* Gilbert Heathcote *came to them and said, he would attend them as soon as their Court was up. The said Gentlemen having acquainted him, that they came to desire the* Bank *to advance them a Sum of Money, on account of the Circulation; and also to expedite the Writing between the two Companies; and after some Attendance,*

the Governor came to them, and acquainted them, the Court being sitting, and it being late, near Two o'Clock: the Committee desired the Gentlemen of the South-Sea *Company to appoint another Time, either that Night or next Day, and accordingly that Evening was mentioned by the Governor; and on his return, desired it might be next Day at Twelve o'Clock, which was accordingly appointed.*

Wednesday 12 *October* 1720.

The Committee of the South-Sea *Company attended that of the* Bank, *according to their Appointment, and upon enquiring in what Forwardness, or what Directions were given for drawing the Agreement between the two Companies, we found that as yet no Orders were given for doing it; they alledging it was delay'd through the Multiplicity of their Affairs; and they being press'd in plain Terms to expedite it: The Governor answered, He would take the rest of the Gentlemens Directions about it; and being asked if there were any Objections to it, Sir* John Ward, *and Sir* Gilbert Heathcote *said there were none. They were then asked to supply the* South-Sea *Company with* 100,000 *l. on account of the Subscription; to which they said they would consider of it, and send us Word when they had come to a Resolution on that Matter. The Arguments they used in shewing this Backwardness, were the Care of the* Banks *Credit, and that of the* Exchequer; *and their having a large Sum of* Exchequer Bills *by them, and should have more by the end of the Month.*

Thursday

Thursday 13. *October* 1720.

The Deputy Governor, Mr Gore *and Mr* Chester, *attended the Gentlemen of the* Bank, *and acquainted them, that to morrow being the Day for the Proprietors of the first* Subscription *to make their fourth Payment on the said* Subscription; *but considering the great want of Money at this Time, and that several Gentlemen did desire the Time for Payment might be prolonged: The Court of Directors of the* South-Sea Company *were of Opinion, to lengthen the Time to the* 14*th of* November *next; the Proprietors paying* 5 per Cent *Interest, and the Deputy Governor acquainted the Gentlemen that they now being come, a considerable part of our Body were desirous to have their Opinion. To which they answered, They thought we did right.*

Friday 21. *October* 1720.

At a Meeting of the Committee, *appointed to treat with the* Committee *of the* Bank of England.

Present,

The Sub-Governor	*The Deputy Governor*
Mr Chester	*Mr* Gibbon
Mr Gore.	

Mr De Gols *having by Order of the Governor of the* Bank, *transmitted to Mr* Joye, *an Account signed by him the said Mr* De Gols, *that the Subscriptions taken between the* 23*d of* September, *and* 15*th of* October, *amounted to* 2,291,200 *l. on which the deposit Money being after the rate of* 15 per Cent. *amounted to* 343,680 *l.*

And the said Account being read,

Resolv'd,

That the Committee of the Bank, *who transacted with this Committee all Matters relating to the Agreements between the two Companies be acquainted; That the Committee are ready, pursuant to the Powers given them by the Court of Directors, to settle all Things in Form, conformable to the Minutes made and taken between the Committee of each Company, the 21st of* September *last.*

That they likewise be desired to inform this Committee, what Progress is made in preparing the Writings that are to be executed between the two Companies, in relation to the Banks *Funds of* 3,775,000 *l. being to be subscribed into the Stock of this Company, and their taking this Companies Stock for the same; pursuant to the Agreement made between the two Companies the* 23*d of* September *last, which were approved and confirmed the next Day by the Court of Directors of each respective Company.*

Tuesday 25 *October* 1720.

At a Committee appointed to treat and agree with the Bank; *present,*

The Deputy Governor, *Sir* Theodore Janssen,
Mr Chester, *Mr* Gibbon.

The Committee *attended the* Committee *of the* Bank, *viz The Deputy Governor, Sir* Gilbert Heathcote, *Sir* Peter Delmé, *Sir* John Ward, *and Mr* Gould, *and acquainted them with the Receipt of the Letter, and Account from Mr* De Gols, *mentioned in the last Minutes, relating to the Circulation; and desired that they would settle the*

Time

Time for Payment of the 2,300,000 *l. for which a Subscription was taken at the Charge of the* South-Sea Company.

To which the Purport of their Answer was, That they desired to know in writing, what Sums the Company *should want, and the Times when.*

The Deputy Governor also told them, that at their last Meeting they said, it was necessary to consult Council, upon some Points relating to the Agreement between the two Companies; and desired to know what Progress had been made therein. To which the Governor of the Bank *reply'd, That as soon as they were prepared to give the* Committee *any Answer, they would send them Word.*

Adjourned,

28, *October* 1720.

At a Committee *to treat with the* Bank,

Present,

Mr Joye, *Deputy Governor of the* South-Sea Company.

Mr Hanger *Governor of the* Bank.

Sir Theodore Jassen,
Mr Gibbon,
Mr Chester,
Mr Gore.

Sir John Ward,
Mr Gould,
Sir Gilbert Heathcote.

The following Paper was delivered to the Governor of the Bank.

Estimate of what Money the South-Sea Company *will have occasion for, and at what Times, on Account of the Subscriptions taken at the* Bank.

In

In November ——— ———	250,000 *l.*
In December ——— ——	400,000 *l.*
In Jan. *and* Feb. ——— —	1,000,000 *l.*
In March ——— ———	541,200 *l.*
	2,191,200 *l.*
Receiv'd already from the Bank - -	100,000 *l.*
Total of the Subscription — ——	2,291,200 *l.*

The Governor of the Bank *acquainted the* Committee, *That he presumed they did not desire an immediate Answer, and that as several Holidays did intervene between this Time and the next Week; therefore he could not appoint a Day for an Answer, but he would acquaint us when the* Committee *of the* Bank *were prepared.*

3. *November* 1720.

Mr Joye, *Deputy Governor of the* South-Sea Company, *sent a Letter to Mr* Hanger, *Governor of the* Bank, *acquainting him that the* Committee *of the* South-Sea Company *wanted to speak with him on the Companies Affairs, and would wait on him at the* Bank *this Evening: Mr* Joye's *Servant brought him an Answer, that they could not meet them this Evening, but would send him word when they could.*

Thursday 10 *November* 1720.

The Governor and Deputy Governor of the Bank, Sir Gilbert Heathcote, Sir John Ward, *and Mr* Gould, *came to the* South-Sea *House according to their*

their Appointment, between One and Two, to talk on the Subſcription Affair, and the Demand we made in Writing the of the whole Sum of the Subſcription, *for circulating* South-Sea *Bonds, or* Bank *ſealed Bills, and were met by the ſaid* Sub *and* Deputy *Governors; Mr* Gibbon, *and Mr* Cheſter, Sir Theodore Janſſen, *and Mr* Gore.

The Bank *Gentlemen firſt aſk'd, if we had conſidered of ſufficient Security to give for the Money to be advanced. They were anſwer'd, That as it was before told them they might have power to ſell the Companies Bonds, and we would conſent to continue the* Subſcription *for circulation after the preſent one was expired, but that we could not make over our Fund, or any part of it, with which they ſeemed ſatisfy'd. They ſaid* Credit *was low, and they could at preſent only pay the whole Depoſit Money, which they had that Morning agreed in their Court to do; but not advance any more Money, unleſs it would be of ſervice to lend their Notes at time on Security to be repaid at the times of thoſe Notes ſhould expire, but that when Credit mended, they might do ſomething.*

It was told the Committee of the Bank, *that Mr* Joye *had communicated the copy of the Paper in relation to their Agreement for* Stock, *which we had taken from their Governor, and they were ſurprized at it's contents, after ſo long a Delay: and that they would be ready to meet them at the* Bank *the Morrow Evening, or perhaps ſooner. They anſwered, That they could not meet us ſooner than the middle of the next Week.*

In

In Purſuance of that Part of this Agreement, which related to the Circulation, a Subſcription was taken at the *Bank*, for 2,291,200 *l.* which was chiefly fill'd by the Proprietors of the *South-Sea* Company; in Expectation *the ſame would be apply'd to the Uſe and Benefit of that Company.*

How far the *Bank* comply'd, either with that Part of the Agreement, which related to the Circulation for the Benefit of the South-Sea Company, or to the other Part of their Bargain, for taking South-Sea Stock at 400 *l. per Cent.* for their 3,775,000 *l.* redeemable Fund, is too well known and felt, by the preſent Proprietors, and Multitudes of Sufferers, to need any Animadverſions thereon.

Yet it may not be amiſs to take notice, that in the Agreement made the 20th of *September*, for the *Bank* to circulate Three Millions: It is expreſs'd, that *in Conſideration* of that Undertaking; the South-Sea Company ſhould pay 3,700,000 *l.* to be paid to the *Bank*, by Notice of Parliament in South-Sea Stock, at a Price to be agreed upon, betwixt the two Bodies. Whereby it plainly appears, that it was the Directors of the *Banks* own ſeeking, to have South-Sea Stock for the ſaid 3,700,000 *l.* and that they were not drawn into it by the Directors of the South-Sea Company, as ſome have invidiouſly inſinuated.

And it may not be improper here, to repeat the Expreſſion of a very ingenious Gentleman, in a late General Court of the South-Sea Company: 'That the Non-performance of this Bar-' gain of the *Bank*, brought AN IRRESI-' STIBLE RUIN upon more Families, than ' all the Tranſactions of the *South Sea* Directors.'

FOR

FOR it is certain, That the Fall which happen'd on the *South-Sea* Stock, before this MEMORABLE BARGAIN, was chiefly to the Detriment of those who had been Gainers thereby.

BUT after this BARGAIN, made in so solemn a manner, in the Presence of the principal Persons in the Administration, and by the Direction of the General Courts of both Companies; and reported to the General Court of the *South-Sea* Company; in the presence of several of the Directors of the *Bank*; the most cautious Men were drawn in, to embark their whole Fortunes in *South-Sea* Stock, at near 400 *l. per Cent.*

ON this Occasion some farther Passages in Mr *Aislabie*'s said Speech, may be properly inserted. Who in Page 15. (after having mention'd that Memorable Bargain of the *Bank* with the *South-Sea* Company) thus expresses himself. 'And here, My Lords, while I am speaking 'on this Subject, give me leave, to lament the 'Fate of the unhappy Proprietors of the *Re-* '*deemable Debts*, that were drawn in to subscribe 'their respective Estates, not so much from the 'Arts of the *South-Sea* Directors, as from the fa- 'tal Influence and Example of some of the chief 'Managers and Friends of the *Bank*; who, tho' 'they now make the greatest Clamour for *Ju-* '*stice*, were the first that subscrib'd the *Redeem-* '*ables* into the *South-Sea* Company; and this, 'my Lords, they did not do by Surprize or Mi- 'stake, but upon great deliberation; having 'some time before prepar'd for this Subscrip- 'tion, and purchas'd great part of this Debt at 'advanc'd Prices for this Purpose. And there 'are some of these Gentlemen, and even some

'of my Accusers, that purchas'd the *Redeemables*, 'who thought me extreamly silly, for advising 'them against endeavouring to make their For-'tunes, by this Project. And it is likewise ve-'ry remarkable, my Lords, that a Letter was 'produc'd to the House of Commons, under 'the Hands of the chief Directors of the *Bank*, 'whereby they made the most early Applica-'tion, and in the most abject Terms, to be ad-'mitted to this Subscription. It was no Wonder 'then, that the wisest and most cautious of their 'Admirers, went along with them; and much 'less that the Crowd should be led into this fa-'tal Error by their Example.

'I do not say this, my Lords, to lay Blame 'or any Imputation on the *Bank*, but to shew 'your Lordships, that this grave and cautious 'Body of Men, were touch'd with the same In-'fatuation as others, and that some of their 'greatest Friends and the loudest Complainants, 'were, in spite of all Advice, the greatest Push-'ers in this Project.'

He likewise says, in *Page* 17. of the same Speech, 'At my coming to Town, I found the 'Lords and others in the Administration met, 'and using their Endeavours to succour and sup-'port the Stock; the *Bank*, by their Mediation, 'was call'd in to the Assistance of the *South-Sea* 'Company; and an Agreement was made be-'tween the two Companies, to which I was ra-'ther a Witness than a Party.

'This gave some Life to their Stock, and 'stopp'd the Mouths of the *Redeemables*, who 'were grown very clamorous. I must own the 'just Concern I had at that Time, and shall al-'ways retain for this great Body of the Public 'Creditors; and I was pleas'd to see them so

'well

'well satisfied, with the Bargain the *Bank* had 'made for them, and for themselves; upon 'whom they pinn'd their Faith so absolutely. 'And for my part, I who was not in the Secret, 'could not but think it a real and sincere Bar-'gain; since it was made in so solemn a man-'ner, between a Committee of both Compa-'nies, in the Presence of many Lords and Gen-'tlemen in the Administration, confirmed and 'ratified by the Court of Directors of each 'Company, and at last, signified in Form to 'the Commissioners of the Treasury, by Sir '*J. Cope*, one of the Directors of the *Bank*.

'I cou'd not suspect there was any Intrigue 'or Deceit in this Transaction, till I saw from 'the extraordinary Motion in the *Alley*, and 'several private Hints that were given out, 'what was intended. I could not think it possible, 'that the Gentlemen of the *Bank*, who had such 'great Interest in the Redeemables themselves, 'should drop so many thousands of the unhap-'py Proprietors, who had depended so entire-'ly upon them, and who would certainly have 'found their Way out of this cursed Labyrinth, 'if they had not been lull'd asleep by this 'fallacious Agreement.'

'As for me, My Lords, I was throughly 'satisfied, that this Agreement of the *Bank* 'was a legal and a firm Bargain; and I 'can't yet imagine with what Face of Justice 'or Equity, they cou'd ever break through it; 'without providing for the Safety of their Wards '(if I may use that Expression) the Proprietors 'of the *Redeemable Debts*.'

And farther in Page 19. he delivers himself thus, 'I do not intend, My Lords, by what 'I have said, to lay any Imputation upon the

'*Bank* of *England*, for as in all great Bo-
'dies, there are few that are let into the Se-
'cret, I ſuppoſe it might ſo happen here;
'but if what I have heard ſince be true, and
'what they ſay has been publickly avowed,
'that this Bargain was never intended to be
'kept; then I ſay it was not only a uſeful Se-
'cret to thoſe that were in it, but the moſt
'compleat Stratagem of the whole Year.'

THIS Contract the *Bank* never perform'd, therefore the General Court of the South-Sea Company, held in *Sept.* 1721. Order'd their Directors to proſecute the *Bank*, effectually to oblige them to comply therewith; but they never made any Proceedings thereon, only read to their General Court, the Opinions of three eminent Council, two of which gave it under their Hands, that the *Bank* could be compelled to perform that Agreement, but the third was doubtful.

But now to proceed to conſider another Cauſe of the Misfortunes, that have happen'd, which was, THE DISTEMPER OF THE TIMES, which captivated the Reaſon of Mankind in General, not only in *England*, but in all the neighbouring Countries; who leaving the uſual Methods of Labour and Induſtry to gain Eſtates, were all tainted with the fond Opinion of being rich at once; which cauſed many Perſons to engage much beyond their own Fortunes, not only in South-Sea Stock, but in every pernicious Bubble, that could be deviſed. And here needs only an Appeal to every Man's own Conſcience, and to deſire him to reflect on the Operations of his own Mind at that Time, and what he did and ſaw, and knew to be done by others.

HOW

HOW did Persons of all Ranks and Stations, lay aside all manner of Distance, and almost Decency, to become the humble Suitors for Subscriptions: not only to the Directors of the South-Sea Company, but also to the meanest and vilest of People, who had but the Assurance to set up any kind of Bubble, even without so much as knowing what the thing was, into which they so earnestly press'd to be admitted Subscribers.

This Temper gave Rise to those numberless Swarms of *Bubbles*, which then pester'd the Town, and which were set up with no other View or Design, than to get Subscriptions, but never to put the Affair into Execution; and were the Names and Numbers of those Bubbles and Sums paid in, together with the advanced Prices they actually sold at, collected and published, it would apparently shew, that the Mischief and Ruin which proceeded *from them*, was more than the Losses sustained by South-Sea Stock, before that Memorable Bargain with the *Bank*; and yet it will easily be admitted that these numerous Bubbles, selling at such extravagant Prices, did not a little contribute to advancing of South-Sea Stock, to the high Price it arrived at.

THESE Bubbles were the more pernicious, in that they were generally traded in by the *lower part* of the *People*, whose Circumstances would not premit them to buy South-Sea Stock or Subscriptions; but being infected with the then Epidemical Disease of becoming *rich on a sudden*, deserted their *Shops* and *Trades*, and their usual Methods of Industry, and were stripped of what by their former Diligence and Frugality they had acquired.

THAT which has caus'd Surprize to some considering Persons, is, that tho' the South-Sea Scheme

Scheme was originally form'd (as plainly appears by the foregoing Pages) with a Design of great *Advantage* to the *Public*; as well as to the *Original Proprietors*: And notwithstanding the same received so many Alterations between it's first Formation, and passing into an Act, and that the Execution of that Act has been attended with so many Misfortunes; nevertheless there still flow therefrom *many* and *great Benefits*, as well to the *Public*, as to the *Original Proprietors*; And yet the Directors of the South-Sea Company are punished in a manner beyond any Precedent known in *England*, whilst the *Projectors* and *Managers* of the *innumerable Bubbles* set up, even without any *legal Foundation*, and with no other Intention than that of Fraud and Cheat, have not been so much as called in Question.

AND what appears to be still more astonishing, is; That such of the Directors of the South-Sea Company, as were chief Managers in some of the Bubbles, have much greater Allowances for their Subsistence, in Proportion to their Estates, than the rest of the Directors of the South-Sea Company, who were not concerned in any of the *Bubbles*.

WHETHER this different Treatment, has risen from any personal Prejudice to any of the late Directors of the South-Sea Company; or that there were Persons concerned in the Profits gained by those Bubbles, too great to be enquired into, or from what other Cause we shall not take upon us to determine.

THIS Section shall be concluded with taking notice of something farther out of Mr. *Aislabie*'s Speech, Page 13 and 14. where after having endeavoured to take the Blame of the Misfortunes,

Misfortunes, which attended the Execution of the *South-Sea Act*, from the Treasury, he thus expresses himself.

'And tho' perhaps, my Lords, it was in the 'Power of the Treasury, if they would have 'taken upon them what did not belong to them, 'to have run down the Stock; yet considering 'the Parliament was then sitting, the greatest 'part whereof were deeply engaged in it; it had 'been a bold Undertaking, for the Treasury to 'have attempted to have brought down the 'Stock, and must have drawn upon themselves 'the Rage of all the Sufferers, and sure De-'struction.

'This unhappy Affair, my Lords, began at 'a Time, when the Passions and avaritious De-'sires of Mankind, were grown up to a Mad-'ness and a Distemper, and one cannot with-'out Pity, look back upon the Rage and Folly 'of the Year.

'The unaccountable Success of this Under-'taking, gave Birth to many base and ruinous 'Projects, and it must ever be a publick Re-'proach, that Encouragement was given to 'those two Bubbles, that were established to 'raise a Supply for the support of the Civil List; '*'tis very well known*, that those two Projects 'did not proceed from me.

'Whatever Opinion the World may have of 'the *South-Sea* Scheme, I will presume to say, 'These two Projects *were founded in greater Ini-'quity*, and contributed more to the public Ca-'lamity, than any thing else.

'After this, My Lords, I may venture to 'say, the South-Sea Scheme was become un-'governable; and some of the wisest of the

'Directors

'Directors were so sensible of it, that to do 'them Justice, I must declare they came to 'the Treasury, and offer'd to advance the 'Money for the Civil List upon sure and easy 'Terms, rather than that those Bubbles shou'd 'take place.

'But though the Treasury were provided 'with Ways and Means for the Supply to the 'Civil List, without the help of either; yet 'those Projects and others had taken such deep 'root in the House of Commons, and elsewhere, 'as made it impossible to oppose them; and 'they had that Consequence which the Dire-'ctors of the South-Sea Company foretold, 'and which every Body might foresee, *viz.* 'To encrease the Flame, by adding this unne-'cessary Fuel to it. And as the South-Sea 'Scheme might give Birth to the Bubbles, so 'the Bubbles contributed to raise the South-'Sea to that height, which brought us into 'this Condition.'

AND if (as Mr *Aislabie* well observes a-bove;) 'It had been a bold Undertaking for 'the Treasury, who are cloath'd with so great 'an Authority, to have attempted to have 'brought down the Stock, and must have drawn 'upon themselves the Rage of all the Sufferers, 'and sure Destruction;' What must have been the Fate of the unhappy Directors of the South-Sea Company, should they have attempted the doing it?

SECT.

SECT. VI.

Some Conſiderations on the Charge laid againſt the late Directors, in the Bill for taking away their Eſtates, as it was firſt brought into the Houſe *of* Commons; *and upon ſome of the Reſolutions of that Houſe, and ſeveral Paſſages in the Reports of the Secret Committee.*

IN the Preamble of the Bill, when the ſame was firſt brought into the *Houſe* of *Commons*, there was a Recital of the ſeveral Reſolutions of that Houſe, founded on the *Reports* of the *Secret Committee*, relating to the Conduct of the late Directors; with an Enumeration of the Particulars, from whence the Loſs to the Company aroſe, for which their Eſtates are taken away; but after further Conſideration, the Houſe were pleaſed to leave out that long recital and detail of Particulars, and to content themſelves with the general Words; That the Company had ſuffered an immenſe Loſs, amounting to Seven Millions and upwards. Some of them being apprehenſive (as may well be ſuppoſed) that had all thoſe Reſolutions and Particulars ſtood in the Bill, as the Reaſons and Foundation of ſo ſevere a Law, the Truth or Falſhood of them might at ſome time or other have been examined

 into;

into; and the Persons who were charged therewith, have had an Opportunity of being heard, how far they could acquit themselves of the Crimes therein laid to their Charge: and if the Foundations of the Bill had at any time appeared to be some of them mere Fictions, of Things which were never done, and others of them to be no real Loss or Damage to the Company; it had not been impossible, but a Time might come, when those *unhappy Directors* might find some Relief, against the great and uncommon Hardships of that *Act*.

BUT since those Resolutions and Allegations were once brought in with the Bill; thereby is seen (though not so upon Record, as if they had remain'd in the *Act*) what were the Inducements of passing that Bill into a Law; and therefore it may not be unsuitable to make a few Remarks on some of them.

AS to the Loss of the Company, which was said to be Seven Millions and upwards, and to have have arisen from the following Heads, *viz.*

First, The Loss by Loans.

To this an answer has been already given, whereby it appears the Directors were empowered, and justify'd in making those Loans, by the Orders and Resolutions of the General Court.

Secondly, By the 574,500 *l.* Stock (which the *Secret Committee* call fictitious) and said by them to be entered in the Books of the Company, as sold for 1,213,575 *l.* which Sum they alledg'd was not duly answered to the Company; and therefore ought to be made good out of the Directors Estates.

To this shall be added (as being of a like nature) a Clause out of the fourth Report of th

the Secret Committee, wherein they ſay, 'That 'the Books therein mentioned to be laid before 'them by the preſent Sub Governor, Deputy 'Governor, and Directors, contain the Names 'of ſeveral Perſons mentioned in the Book of 'Loans, to have borrowed Money upon Stock, 'to the amount of 2,181,944 *l.* 11 *s.* upon the 'Security of 578,888 *l.* Stock, which doth not 'appear to have been transferred to the Uſe 'of the Company.'

NOW, who upon reading theſe Articles, wou'd not think, that the Company have been either cheated of theſe two Sums of 574,500 *l.* and 578,888 *l.* Stock, amounting together to 1,553,388 *l.* Stock? Or elſe of theſe two Sums of 1,213,575 *l.* and 2,181,944 *l.* 11 *s.* in Money, amounting together to 3,395,519 *l.* 11 *s.* Money?

TO which, what follows is an undeniable Anſwer. If the Company had been cheated of ſo much, or any Stock at all, there muſt have been ſo much Stock wanting in the Companies Account of Stock; but their Account of Stock having been examin'd by the preſent Court of Directors, they find that the Stock transferred by Mr *Knight* to Truſtees for the Uſe of the Company, by Order of the late Court of Directors, together with the Stock remaining in Mr *Knight*'s own Name, amounts to above 12,000 *l.* Stock more than the Company had any Demand upon him for, either on Account of Loan or otherwiſe; and Mr *Knight* being the only Perſon who was accountable to the Company for the Stock mention'd in the above Articles.

It is a perfect Demonstration, that the Company cannot possibly have been cheated of one Shilling Stock.

IN like manner, had the Company been defrauded of those Sums of Money, there must have been so much Money wanting in their Cash; or else couched under other Heads, (which is impossible to be done for a large Sum, nor is any such thing so much as pretended;) and the Secret Committee in their first Report, Page 1. and Appendix thereto, No. 1. Page 17. do shew, that Mr *Knight* had charged himself with the Receipt of the 1,213,575 *l.* for the 574,500 *l.* called fictitious Stock; so that Mr *Knight* having given the Company Credit for that Sum in his Account of Cash, it is impossible the Company can have lost the same, or any part thereof, unless there was such a Deficiency in Mr *Knight*'s Account of Cash: But Mr *Knight* in his Letter to the late Court of Directors, dated *January* 22. 1720. being the Day after his withdrawing himself, writes as follows,

'I have herewith sent Mr *S*—— the Key of 'my Desk, who knows so much of the State 'of the Cash, as to be able to make it up, 'there are a good many Bills of *Exchange*, and 'other Payments to write off, and the Weekly 'Receipts to write on. There is Cash in the '*Bank* in the Companies Book, which together 'with the Notes taken on the Third and 'Fourth Subscriptions, and the Companies 'Bonds, will make up the Ballance, as I do 'believe. The Truth of this cannot be con-'tradicted.

SO

SO that there being no Deficiency in the Companies Cash, is also a Demonstration, that it is not possible the Company cou'd be defrauded, or could have sustain'd any Loss either of Stock or Money, on these Heads.

TO what End then could these Articles be formed? It may be thought hard to suggest, that it was with an Intention to increase or keep up the Clamour against the late Directors, at a Time when every thing to their Prejudice did so easily find Credit; and yet it is difficult to assign any other Reason.

AS to the third Head of the Loss, which was charged to be the Deficiency of the Third and Fourth Subscriptions; the same arose from the Default of Persons (whose Names were first set down) not making their Payments on those Subscriptions, especially the Third; and that Subscription selling at a great Advance, Mr *Knight* might have Reason to think, that no Person would have made default, and therefore charg'd himself with the whole Sum, as if receiv'd; and it does no way appear, that any of Directors had any Advantage by those Deficiencies, or that any of them, *not even the Committee of Treasury*, did so much as know of those Deficiencies till about *November* following; when Mr *Knight* claiming an Allowance for them in his Cash Account, they refus'd to pass the same: so that if these Deficiencies are to be charged to any Body, they ought to be to Mr *Knight* only, and not to the Directors.

HAVING thus cleared the Directors from the Charge of the Loss, said to be sustained by the Company, and for which their Estates were taken away;

ANOTHER

ANOTHER Part of the firſt Report of the Secret Committee comes next to be conſider'd, wherein *Page* 15. and 16. they ſay, That it was in the Power of the Perſons to whom the pawn'd Stock was transferr'd, and with whom the pawn'd Subſcription Receipts were depoſited, to ſell the ſame at high Prices, and to replace them again, when the Price fell, whereupon the Houſe of Commons came to the following Reſolution, viz. *That the ſelling or diſpoſing of* Stock *or* Subſcriptions, *transferred or depoſited, as a Security, for the Payment of the Money lent, was a notorious Breach of the Truſt repos'd in the ſaid Sub-Governor, Deputy-Governor, Directors, and their Officers, and a Fraud on the Proprietors, in order to inrich themſelves, for which they ought to make ſatisfaction out of their own Eſtates.*

Which Reſolution was alſo recited in the Bill as firſt brought into the Houſe, as one of the Cauſes for taking away the Eſtates of the late Directors, and thereby is intimated that great Profit was made by ſelling *pawn'd Stock* and *Subſcriptions.*

All poſſible Endeavours have been us'd to get a true Information concerning this Fact, and we cannot learn that any of the Directors ever knew, or heard of any ſuch thing being done, nor does it appear, that any of them ever had occaſion ſo to do, they all having great Quantities of Stock and Subſcriptions of their own undiſpos'd of, as is evident by their Inventories.

IT may be farther convenient, to give ſome Anſwer to the following Paſſage in the firſt Report of the Secret Committee, *Page* 2. where they were pleas'd to ſay, ' That the Account of ' the 574,500 *l.* Stock (which is commonly ' called

'called the fictitious Stock) was made up and 'adjusted with Mr *Knight*, and the Money a-'rising by the Difference of the Price between 'the Times of such taking in, or holding of the 'Stock, and the making such Adjustments, was 'paid or allow'd out of the Companies Cash, 'to the pretended Purchasers; but no Entries 'of such Adjustments, or of the Names of the 'Persons, with whom the same were made, ap-'pear to your Committee in any of the Books 'of the Company.'

It is to be supposed, That this part of the Report was the Foundation of the Motion made some Time ago, in the General Court of the *South-Sea* Company; wherein it was declared, *That several Millions of the Companies Money*, had been paid for such Differences and Adjustments; and a Petition agreed on, and delivered to the Parliament, for a Power to recover the same. But that Matter not appearing to the House, to have a just Foundation, nor being attempted to be proved; it is evident the same was a *bare Suggestion*, and calculated, as many others were, to *inflame the Minds of the People*, and to blacken the late Directors.

FOR it has been sufficiently manifested, that there was little or no Deficiency in the Companies Cash, on Mr *Knight*'s going away; and the *Secret Committee* themselves say, 'That no En-'tries of such Adjustments appear to them, in 'any of the Companies Books.' And the present Directors, who have the Books in their Custody, are appealed to, whether there be any such Entries, and if there be no such Entries, (as it is certain there are not) then 'tis a Demonstration, that no such Adjustments and Differences were, or could be paid out of the Com-

panies

panies Caſh ; ſo that Suggeſtion and Imputation entirely falls to the Ground.

There are ſeveral other Remarks and Obſervations of that Honourable Committee, which might receive a very ſatisfactory Anſwer, but for Brevity's ſake are omitted.

SECT. VII.

Of the ſeveral Penalties and Diſabilities, which the late Directors are ſubject to, by three ſeveral Acts of Parliament: With ſome Account of the Truſtees Proceedings in the Execution of them.

IN the foregoing Sections, the *South-Sea* Scheme has been conſidered, from it's being firſt formed, with the ſeveral Alterations till paſs'd into a Law ; the Conduct of the Directors in the Execution of that Law : The real Cauſes which contributed to the many Loſſes and Sufferings that enſued, with the principal Matters laid to the Charge of the Directors, as well by the *Secret Committee*, as in the Preamble to the Bill for taking away their Eſtates, as it was firſt brought into the Houſe. And now follows a ſhort Account of ſome of the Penalties and Diſabilities, to which they have been ſubjected, by three ſeveral *Acts* of *Parliament*.

BY one of thoſe Acts, *they are all diſabled from ever being Sub-Governor, Deputy-Governor, or Directors,*

rectors, either of the South-Sea Company, Bank, *or* East India Company, *or from having or enjoying any Place, Office or Employment in, or under any of those three Companies.*

BY another of those Acts, *which pass'd but the 25th of January*, every one of them was required, *on or before the 8th Day of* February *following, (a very short Time, to find so great a Security) to enter into Recognizances of One Hundred Thousand Pounds Penalty, together with two sufficient Securities, in the Penalty of Twenty Five Thousand Pounds each, not to depart the Kingdom within one Year, from the 8th of* December 1720. *and from thence to the end of the next Sessions of Parliament; and in default of giving such Security, they were to be committed to the Fleet, there to remain without Bail or Mainprize, and if they depart out of the Kingdom, within the Time limited, they are to be guilty of Felony.*

THEY were by the same Act also obliged before the 25th of *March* then following, (which was likewise a very short time for so great a Work) *To deliver to the Barons of the* Exchequer, *two perfect Inventories on Oath, of all their Estates, real and personal, which on the first of* June 1720. *or at any time after, they were respectively seized or possess'd of, or entituled unto in Law or Equity, in their own Names, or in the Names of any other Person or Persons in Trust for them, or to their Use, and of all Alienations and Dispositions thereof, to the Time of the Delivery of their respective Inventories.*

AND in Case of failure, of delivering such Inventories, they were to be guilty of Felony.

IF any of their Inventories appear'd to be evasive or uncertain, or if Directions be given for a farther Enquiry, by the Speaker of either House of

Parliament, by Order of the House, or if Information be made on Oath of any Concealment, the Barons of the Exchequer *are to examine them upon Interterrogatories, to which if they refus'd to be Sworn, and answer fully, or if after such Examination any Concealment is found, they are to be guilty of Felony.*

THE Barons are thereby empower'd to summon before them any Persons, known, suspected, or supposed to conceal any of their Estates, and if such Persons refuse to appear, or to be examined on Interrogatories; the Barons may commit them to the Fleet, until they submit to be examined.

All Persons who had accepted any Trust for any of them, or in whose Hands any of the Estates or Effects were, or who were indebted to any of them, are required to give Notice to the Barons, on forfeiture of treble the value of such Estates, Debts or Effects.

They were disabled from aliening or disposing any of their Estates, real or personal, after the 5th of January 1720. *Except for their necessary Subsistence, Payment of the just Debts due before the 5th of* January 1720. *and of perishable Goods.*

They are forbid Transporting any of their Estates or Effects beyond Sea, under the Penalty of Felony.

By the Third Act.

All their Estates, real and personal, of what nature or kind soever, which they or any Person or Persons in Trust for them, or any of them, upon the first of June 1720. *or at any time afterwards was, or were seized or possess'd of, interested in, or intitled to, in Law or Equity, in their or any of their own Rights, or to any of their own Use, or Uses, or in Partnership with any others, (except the necessary*

ſary wearing Apparel of themſelves, their Wives and Children; and except the Allowances therein made for their Subſiſtence, and except ſuch parts of their perſonal Eſtates, as have been, or ſhall be diſpoſed for paying their juſt Debts, contracted before the ſaid 5th of January 1720. *and periſhable Goods diſpoſed of, as therein is mentioned,) are veſted and ſettled in Nine of the preſent Court of Directors of the* South-Sea Company *as Truſtees, to the Intent the ſame may be ſold and diſpoſed of, as therein mentioned, for the benefit of the* South-Sea Company.

They were thereby required before the 20th of September 1721. *to bring and deliver upon Oath to the ſaid Truſtees, at their public Office or Place of Meeting; all ſuch Deeds, Evidences, Muniments, Books, Accounts, Papers, and Writings, which they reſpectively had, or ſhould have in their Cuſtody or Power, or which they reſpectively could come by, which do concern only their own Eſtates real and perſonal, or do concern the ſame jointly with any other Eſtate or Eſtates; together with Schedules thereof, ſigned by them reſpectively, and in default thereof, were to be committed to the* Common Goal, *there to remain* without Bail or Mainprize, *till they had complied therewith.*

They are alſo required to releaſe *or* convey *in due Form of Law to the* Truſtees, all their Right, Title, Intereſt, Claim, *or* Demand *of, in or to their reſpective* Eſtates, real *or* perſonal, *veſted in the ſaid Truſtees.*

And they are thereby diſabled, to hold or execute any Office, or Place of Profit or Truſt, Civil or Military, under His Majeſty, His Heirs or Succeſſors, or to ſit or vote, in either Houſe of Parliament.

AS the foregoing *Penalties* and *Disabilities* are of a severe and rigorous Nature; SO IT might have been very reasonably expected, That this Act would have been executed with all the Tenderness and Moderation imaginable. But when the Conduct of the Trustees therein comes to be examined, it will be found, they have endeavoured to extend the Hardships therein, not only beyond the Letter, but, as may be presumed, beyond the Intention of the Law, which will be very apparent by the following Instances.

THE Clause in the Act, wherein the Directors were required to deliver all the Writings, Books, and Papers, to the Trustees upon Oath, has been before mentioned; which Oath the Trustees had no Authority to form. But they took that Authority upon themselves, and endeavoured to impose such an Oath as they could not but be sensible was impossible to be taken by any of the late Directors. The Form whereof was as followeth.

" I *A. B.* Do make Oath, that the Deeds, " Evidences, Muniments, Books, Accounts, " Papers, and Writings, mentioned in the " Schedule hereunto annexed, and by me sign- " ed, and which said Deeds, Evidences, Muni- " ments, Books, Accounts, Papers, and Writings, " I do at this present Time deliver to the Tru- " stees, nominated and appointed to put in " Execution the several Trusts and Powers " mentioned and contained, in an Act of Par- " liament, pass'd in the 7th Year of the Reign " of His Majesty that now is, Intitled, *An* " *Act for raising Money &c.* at their Public " Office or Place of Meeting; are all the " Deeds,

" Deeds, Evidences, Muniments, Books, Ac-
" counts, Papers, and Writings, which on
" the first Day of *June* 1720. or at any time
" since, were, or now are, in my Custody or
" Power, which concern or any ways relate
" to any part of the Estate real or personal,
" which I, or any Person or Persons in Trust
" for me, was or were entituled unto, possess'd
" of, or interested in, either in Law or Equi-
" ty, on the said first Day of *June*, 1720. or
" at any time since.

IT is obvious to every one, at first reading this *Oath*, that it was fram'd in such general Terms, as rendered it impossible to be taken by any Person in Business. For who is there in any Trade or Dealing, but in 15 Months Time, has a Necessity of altering, or parting with some of his Bills, Notes or Papers; therefore much less possible was it, for any of the late Directors, who, as appears by their Inventories, had many considerable Transactions within that Time, not to have unavoidably alienated or parted with many of their Bills, Notes, and other Papers: So that had they taken the *Oath*, their own Inventories might have been brought in Proof to falsify the same.

THEREFORE all the Directors refus'd taking *that Oath*; so that at last, the Trustees were pleased to condescend so far, as to suffer the Directors to make some Exceptions to the General Words suitable to their several Cases.

IT may be here observed, That though the utmost Retrospect, of the Oath required by the *Act*, was but to such Writings, Books and Papers, as they respectively had in their Custody or Power the 8th of *December* 1720. or at any time after, *relating* to the *Estates vested*; yet the

Oath

Oath the Truſtees impos'd, not only look'd back to the firſt of *June* 1720. (which is above ſix Months farther back, than the Act could be conſtru'd to extend) but alſo extended to all *Writings* whatſoever, concerning as well Eſtates veſted, as not veſted.

A *ſecond Inſtance*, of the *Truſtees endeavouring to exceed the Powers given them*, is That of obliging thoſe Perſons, who are Witneſſes to the ſigning of any Claims, to be preſent at the time of the delivering the Claim, and to make an Oath before them, that they ſaw the Claim ſigned, which Oath is more than the Law requir'd, and what the Truſtees had no Power to adminiſter; and yet thereby, many honeſt and innocent Creditors, and Claimants upon the late Directors Eſtates, were put to great Charge, Trouble, and Difficulty, in bringing up thoſe Witneſſes from the remoter Parts of the Kingdom.

A *third Inſtance* is, Their preparing many and long *Interrogatories*, in order to the Examination of one of the late Court of Directors, and cauſing him to be ſummoned before the Barons of the *Exchequer*, for that Purpoſe; although his Inventory was not ſo much as pretended to be evaſive or uncertain: Nor was there any Order from the Speaker of either Houſe of Parliament, to cauſe ſuch Examination to be made, nor any Information upon Oath, of any Concealment made by him, which are the only Caſes in which the Act directs ſuch Examination.

BUT the Barons were more cautious of exceeding the Powers given them by the Act, than the Truſtees ſeem to have been: And therefore, when the Barons were attended, they did not think proper to proceed in the Examination,

tion, not having ſufficient Foundation and Authority for it.

Whereupon the Truſtees apply'd to the Houſe of Commons, and obtained an Order to the Speaker, to give Directions to the Barons, to examine the late Directors upon ſuch *Interrogatories as they ſhould think fit.*

Surely, this Method of proceeding was very extraordinary; *for Perſons to be examined upon Interrogatories, to condemn themſelves*, in a Caſe wherein a ſmall, *and even involuntary*, Failure, may be Felony.

One would think in this Caſe, there was the leaſt Cauſe imaginable for ſuch an Examination, not only from the Encouragements given by the Acts to Informers, of any Concealments, which was 30 *per Cent.* upon all that ſhould be diſcovered, and from the Penalties on ſuch Perſons, as concealed any of their Eſtates or Effects, which is three times the Value of the Eſtates or Effects conceal'd. But alſo for that all their Inventories, which contain Particulars of all their Eſtates and Effects on, and of all their Tranſactions after, *June* 1. 1720. have been delivered, Printed and Publiſh'd throughout the whole Kingdom, above a Year, and have been ſcann'd and ſcrutinized into, with all the Nicety and Exactneſs, which the Ill-will of the Loſers, or the Hopes of Gain to Informers, could inſpire and prompt Men to. And yet there has not been one Inſtance of an Information of any Concealment, great or ſmall, againſt any one of them; ſo that morally ſpeaking, one may almoſt venture to affirm, there hath not been, nor can be, any Concealment; and therefore, it ſeems more unreaſonable, to require this new, and hitherto unknown, *Examination*

mination to be put in Practice, meerly upon Jealousies and Surmises, *without any apparent Foundation:* Which cannot but be a Torture on the Mind of every Person examined, where his Life lies at stake, and to which our Law hath hitherto been as much a Stranger, as to Racks for the Body.

A *fourth Instance*, wherein these Trustees have endeavour'd to extend their Power, beyond the Limits of the Law; was, their preparing a Bill of Powers, whereby, under the Pretext of better executing the Act, there is not a Person in the Kingdom, (His Majesty only excepted) whom they could not have examined, when, and as often, and upon such Interrogatories as they thought fit, and for default of appearing, (for which no Excuse was to be admitted, not even Sickness itself) or in default of answering fully, (that is, to their Satisfaction) the Trustees might cause them to be committed to, and detained in Prison during their Lives.

BUT this Bill happened to get Air, and some of the Heads thereof were published to the World, whereby it appeared to be so flagrant an Attempt upon the Liberties of all His Majesty's Subjects, that it was forced to be dropp'd, without being ever brought into the House of Commons.

AS to what may be objected against the Trustees accepting the Execution of the Act, because they are supposed to be considerably interested in the *South-Sea* Stock; and therefore may seem to be Judges and Parties: The Act itself has made them safe therein. We shall only say, That they must be left to their own Consciences, which alone can accuse them. The Weight of this Part of the Trust appears by the

the conſiderable Claims made on the Eſtates of the late Directors, which amount to above a Million.

SECT. VIII.

Some farther Remarks and Obſervations on the forementioned Acts of Parliament; and on the Proceedings of the late Directors.

WHAT is related in the preceeding Sections, is a clear and diſtinct Account of known Matters of Fact; and being ſo lately tranſacted and in ſo publick a manner, they are purpoſely repreſented with that Simplicity and Plainneſs, which ſhould always accompany real and ſubſtantial Truth.

AND tho' many things might be offered to the Reader's Conſideration, from the preceeding Narrative; yet we ſhall here note but a few Remarks, leaving the reſt to every one's own Sentiments and Reflections.

BY THIS TIME it evidently appears, that the *South-Sea* Scheme was originally form'd and drawn up, with a View and Intention to render it *beneficial*, as well to the *Public*, as to the *Proprietors of the* South-Sea Stock in general, *without* the *leaſt Detriment* to *any Body*, or Deſign of raiſing immenſe Eſtates to the Directors, as has been untruly and unjuſtly reported. And

'tis manifeſt, thoſe Directors did not make ſo large Additions to their Eſtates, nor were they near ſo great Dealers in the Stock, as many others were (there being Inſtances of ſome few Perſons, who are ſaid to have *got almoſt*, if not *quite as much as all the Directors put together*; and) who have nevertheleſs had the good Fortune to *eſcape Parliamentary Proſecution.*

THAT what is charged upon the late Directors as Crimes, in the Execution of the ſeveral parts of the Act, they were rather driven into by the exceſſive Sum the Company was to pay the Public, and by the Torrent of the Times, and the Paſſions and Humours which influenc'd almoſt all People; than by their own Choice, or any premeditated or concerted Deſigns.

NOR will it be denied, that while they were tranſacting thoſe Things, for which they ſince have been moſt blam'd, they had not only the univerſal Applauſe of Mankind; but a farther Honour, as appears by a Paragraph before quoted, out of His Majeſties moſt gracious Speech to both Houſes of Parliament, the 11th of *June* 1720. and the Speaker's Speech to His Majeſty the ſame Day, which was, when the Stock was at near 800 *l. per Cent.*

THE Senſe alſo of the Proprietors of the Company, was ſufficiently declared in their repeated Approbation of, and Thanks to, the Court of Directors, for their Conduct in the Execution of the Act, and in particular, in the before quoted Reſolution of the 8th of *September* 1720. in the following Words, *viz.*

Reſolved Nemine Contradicente,

'THAT this Court doth approve of, 'and thank the Sub and Deputy Governors 'and Directors for their prudent Conduct, in

'executing

'executing ſo great a part of the Act of Par-
'liament, for enlarging the Capital Stock of
'the Company.

WHICH Reſolution was after all the Subſcriptions and Loans, and all other the Tranſactions of the Directors, for which they have been ſo much cenſur'd and calumniated, had been made and ended.

IF all theſe Circumſtances and Conſiderations put together, are not ſufficient to juſtify the Proceedings of the late Directors, there can remain no Rule of Action in Companies and Communities.

IT is far from our Intention, to ſay any thing here that may have the leaſt Tendency to arraign the Juſtice of any Law in force: But it is preſum'd upon a Review of the whole, there can be no Offence to obſerve,

That tho' the Puniſhment of Treaſon is forfeiture of Life and Eſtate; yet all Perſons accuſed of this Crime, are allowed a Copy of the Indictment, and Counſel to plead for them, and are not ſubjected to any Penalty or Puniſhment 'till Conviction. NOR are they in order to ſuch a Conviction, ſubjected to a ſtrict Examination on Oath before a Secret Committee: NOR are they oblig'd to deliver Inventories of all their Eſtates and Tranſactions, and alſo all their Eſtates with their own Hands; and after that, to be ſubject to an Examination upon Interrogatories, for diſcovering their Eſtates under Penalty of their Lives. NOR to convey and releaſe to the Crown all their Claim, Right, and Title to their Eſtates, as theſe unhappy Directors are oblig'd to convey all their Eſtates, real and perſonal, with their own Hands to the Truſtees. NOR are the Tru-

ſtees of Perſons even convicted of the greateſt Crimes, bound to diſcloſe their Truſt under any, much leſs ſuch ſevere Penalties as three times the value of the Eſtate conceal'd: So that unhappy Families do often find Means of Subſiſtence, out of the forfeiting Perſons Eſtates, and ſometimes their Lives are ſpared even after Conviction, and they have often larger Proportions of their Eſtates allow'd them for their Subſiſtence, than is allowed to moſt of theſe Directors; and there are ſeveral late Inſtances of Perſons taken in actual Rebellion, and of others attainted of High-Treaſon, and fled beyond the Sea, whoſe Wives have been allow'd their Jointures, as if their Huſbands were dead, which is a greater Favour than has been allowed to any of theſe Directors.

Theſe are ſome of thoſe things, which muſt be thought Hardſhips, by any one who ſhould be ſo unfortunate, as to be compell'd to undergo them. But as they proceeded from a *Law* made, they muſt be ſubmitted to, and cannot be impugned or argued againſt, but in a proper Place, and in a becoming manner. Since whatever the Legiſlative Power has once bound, cannot be again looſen'd, but by the Legiſlature, which never denies a due Redreſs to every Grievance, that Subjects can complain of.

Before we conclude, we ſhall crave leave to inſert the Proviſion our Anceſtors made to ſecure Man's Liberty and Property in this Realm, as it ſtands in the ſo often quoted part of *Magna Charta*, obtained at the Expence of ſo much Blood of our Anceſtors, which ſays; **That no Freeman ſhall be taken or Impriſoned, or be diſſeized of his Freehold or Liberties, or free Cuſtoms, or be Outlawed or Exiled,**

or

or any otherwise destroyed; nor will not pass upon him, nor condemn him, but by lawful Judgment of his Peers, or by Law of the Land. And the many subsequent Laws made in Affirmance thereof, some of which shall be mentioned, as 5 *Edw.* III. *Chap.* 9. whereby it is Enacted, **That no Man from henceforth shall be attached by any Accusation, nor forejudged of Life or Liberty, nor his Lands, Tenements, Goods or Chattles seized, against the Form of the great Charter, and Law of the Land.** Likewise 28 *Edw.* III. *Chap.* 3. **That no Man, of what Estate or Condition that he be, shall be put out of Land or Tenement, nor taken nor imprisoned nor disinherited, nor put to Death, without being brought in answer by due Process of Law.** These are farther strengthened and enforced by the famous Petition of Right, 3 *Car.* I. *Cap.* 1. and the Bill of Rights 1 *Will.* and *Mary*, *Sess.* 2. *Cap.* 2. which says, **That excessive Bail ought not to be required, nor excessive Fines imposed, nor cruel and unusual Punishments inflicted.**

THE HABEAS CORPUS ACT, was likewise obtained with great Difficulty from the Crown, as a Guard to the Liberty of the Persons of the Subject, and has never been suspended but in Cases of open Rebellion, or imminent Appearances of it; and that too, with great Difficulty and Opposition. But in the Case before us, may not perpetual Imprisonment and Death itself, become the Punishment *of bare Omissions:* And yet the suffering Person be excluded of any Relief or Benefit by that Law?

IT

IT IS WELL KNOWN, that the principal Difference between a Free and Arbitary Government consists in this. That by the former, the People are governed by known Laws, in the later merely by the Will and Pleasure of the Prince. THE ADVANTAGE of the first is, That the Subjects know what is a Crime, and what Punishment they incur, if they are guilty of it, whereby they may avoid the one and the other.

THE MISERY of the second is, That the Prince makes Crimes and Punishments, as his Passions or Lusts prompt him, whereby his Subjects have it not in their Power to escape either Guilt or Punishment. But this is far from being our Condition, or our Fear.

Since with regard to our Civil and Religious Liberties, the Constitution of our Government never stood upon so solid a Foundation, as they do at present under His Majesty: by whose Accession to the Throne of these Realms, our happy Constitution is secured to us; which, as on the one Hand, it gives the Prince all the Power necessary to the Support of His Honour and Dignity, and to the Maintenance of his Authority; so on the other, it gives the Subject all the Freedom, which is any way consistent with the Ends of Government. Those among us, who are not fully sensible of their own Happiness, if they would but take the Pains to inform themselves into what unhappy Circumstances the Nations about us have been reduced, would soon put an higher and more just Value upon their own Condition.

But to return to the Subject of the present Case, We must crave Leave to observe another Circumstance of the Law, we have been speaking

king of; and tho much might be ſaid both from Hiſtory, and many Debates which have been publiſhed with regard to *Retroſpect Laws*, or *Laws* made *ex poſt facto*. Yet we ſhall only, (with reſpect to what may hereafter come to paſs) beg leave to quote part of a Speech made by King *James* I. to the Houſe of Lords, *Anno* 1621. which he deſired might be entered into the Records of that Houſe, *viz.* 'We doubt there will be many Matters before you; ſome complained out of Paſſion, and ſome out of juſt Cauſe of Grievance: Weigh both, and be not carried away with the impertinent Diſcourſes of them that name innocent Men, as well as guilty. But let your Proceedings be according to Law, and remember, that Laws have not their Eyes in their Necks, but in their Foreheads: For the moral Reaſon for the Puniſhment of Vices in all Kingdoms and Commonwealths is, becauſe of the breach of Laws ſtanding in force; for none can be puniſhed for breach of Laws by Predeſtination before they are made.'

OUR Laws have a tendency to *Alleviation* and to *Lenity*, for when Words are capable of a different or doubtful Conſtruction, they are always to be conſtrued in the mildeſt Senſe.

Nor do they puniſh Perſons for any Facts as Crimes, unleſs there were in the Perſon an evil Intention in the doing of it, as may be illuſtrated by the two following familiar Inſtances, *viz.*

IF a Man be ſhooting at a Bird or a Hare, and chance to kill a Man paſſing by, againſt whom he had no premeditated Malice, this is but Chance-Medley.

OR if two Perſons happen to quarrel and fight, and therein one kill the other; if there was no premeditated

ditated Malice, this amounts only to Manſlaughter, *and not* Murther. And indeed in moſt Caſes it is the *Intention* and *Deſign*, that governs the Action, and makes it to be *criminal* or not.

AS to the Fines impos'd on the late Directors, tho' by the Reports of the Secret Committee, and the ſeveral Reſolutions of the *Houſe of Commons*, the Crimes alledg'd againſt them appear to be equally charg'd on them all. Yet have they not all an equal Allowance for their Subſiſtence, in proportion to their Eſtates, as appears by the following SCHEDULE of their reſpective Eſtates, as reported by the Committee to the *Houſe of Commons*, together with their reſpective Allowances for for their Subſiſtence; and the Sums taken from them reſpectively.

Sir

	The neat Value of the Estates of the Directors, by the Report of the said Committee.			Their Allowances for Subsistence.	The Fines or Sums taken from each Director.		
	l.	s.	d.	l.	l.	s.	d.
Mr John Fellows —	243,096	00	6	10,000	233,096	0	6
Mr Joye —— ——	40,105	2	0	5,000	35,105	2	0
Mr Astell —— ——	27,750	19	8¾	10,000	17,750	19	8¾
Mr Lamb. Blackwell	83,529	17	11	15,000	68,529	17	11
Mr John Blunt ——	183,349	10	8¾	5,000	178,349	10	8¾
Mr Robert Chaplin	45,875	14	5	10,000	35,875	14	5
Mr Chester —— ——	140,372	15	6	10,000	130,372	15	6
Mr Will. Chapman -	39,161	6	8½	10,000	29,161	6	8½
Mr Child —— ——	52,437	19	1	10,000	42,437	19	1
Mr Delaporte ——	17,151	4	6	10,000	7,151	4	6
Mr Edmondson ——	5,365	0	0	3,000	2,365	0	0
Mr Eyles —— ——	34,329	16	7	20,000	14,329	16	7
Mr Gibbon —— ——	106,543	5	6	10,000	96,543	5	6
Mr Gore —— ——	38,936	15	5	20,000	18,936	15	5
Mr Will. Hammond	22,707	4	2	10,000	12,707	4	2
Mr Hawes —— ——	40,031	0	2¼	5,000	35,031	0	2¼
Mr Houlditch ——	39,527	10	4	5,000	34,527	10	4
Mr Horsey —— ——	19,962	5	3	10,000	9,962	5	3
Mr Jacob Jacobson -	11,481	4	0	11,000	481	4	0
Mr Theod. Janssen -	243,244	3	11	50,000	193,244	3	4
Mr Ingram —— ——	16,795	0	0	12,000	4,795	0	0
Mr John Lambert -	72,508	1	5	5,000	67,508	1	5
Mr Harc. Masters -	11,814	12	3½	5,000	6,814	12	3½
Mr Morley —— ——	1,869	10	3	1,800	69	10	3
Mr Page —— ——	34,817	12	3¼	10,000	24,817	12	3¼
Mr Raymond ——	64,373	6	3	30,000	34,373	6	3
Mr Read —— ——	117,297	16	0	10,000	107,297	16	0
Mr Reynolds ——	18,368	12	2½	14,000	4,368	12	2½
Mr Sawbridge ——	77,254	1	8	5,000	72,254	1	8
Mr Tillard —— ——	19,175	14	4	15,000	4,175	14	4
Mr Turner —— ——	881	17	6	800	81	17	6
Mr Surman —— ——	112,321	10	0	5,000	107,321	10	0
Mr Grigsby —— ——	31,687	6	0	2,000	29,687	6	0

IT CANNOT NOW BE DOUBTED but every impartial Reader, who judges without Prepossession or Prejudice, is fully convinced by the faithful Account herein given, of the first Formation of the late Scheme of the South-Sea Company, and of the Views upon which it was founded, and of the several Steps taken by the late Directors in the Execution of the Act of Parliament, (which had greatly altered the Original Scheme) together with the Motives which induced the Directors to the executing it in the manner they did; that there was no evil Design in the first preparing this Scheme, nor in the several Proceedings of the Directors: and that tho' they may have committed some Errors, which is common to human Frailty, yet surely none will say that they have been guilty of so black Crimes, as by the popular Cry they were accused of. And consequently have not deserved the Hardships they have been subjected to.

TO CONCLUDE, Let us reason as become *Christian* and *Englishmen*: OUR CONSTITUTION is a legal Monarchy, in which the Dignity of the Prince, and the Security of the Subject is consulted. 'OUR 'LAWS are contriv'd and made by a select 'number of the most honourable and wise Per-'sons, whose Approbation and Concurrence 'must be had, before they are tendered to 'the Royal Assent: They are then solemnly 'promulgated to the whole Realm, and Obe-'dience required to them. As for the Wis-'dom and Prudence, the Justice and Mercy 'of these Laws, how well they guard the Ho-'nour, and support the Dignity of the Crown; 'maintain the Peace, and defend the Proper-'ties of the People: how wisely they are de-

'signed

‘ ſigned to reſtrain all Diſorders, and cure all
‘ Diſtempers in the State; to obviate all poſ-
‘ ſible Miſchiefs, and to prevent or puniſh e-
‘ very kind and degree of Wickedneſs: How
‘ much Encouragement they afford to thoſe
‘ who are diligent and induſtrious, quiet and
‘ peaceable in the Land, and how admirably
‘ fitted, to promote univerſal Peace and Hap-
‘ pineſs, is ſufficiently known and underſtood:
‘ So that we ſhall only farther obſerve, That
‘ our Government is mild and indulgent, that
‘ the old *Roman* Privilege inſiſted on by St
‘ *Paul*, may alſo be challenged by every one
‘ of us, *viz.* That it is not lawful to puniſh a
‘ Subject of *Great Britain* uncondemn'd, nor to
‘ condemn him untried.

FINIS.